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# In and Out of Russia, Vote Broke the Faith

By Serge Schmemann

New York Times Service

MOSCOW — The immediate danger

from the results of Russia's parliamentary election may come less from what Vladimir V. Zhirinovsk, does than from how the world and Russia react to him.

There is no question that Mr. Zhirinovsky and his Liberal Democratic Party represent a fierce backlash by a humiliated, impoverished and confused nation. Nor is there any ished and courused nation. Not is there any question that his furning tirades — whether they be to eject Azerbaijanis, bring Ukraine to its knees or recover Alaska — have set

political alarms jangling the world over.
Obviously there is cause for alarm: The fascist regimes of Europe also began as unfocused cries of national despair, and in .18 months Russians again go to the polls, this time to vote for a president with real and dangerous powers, Mr. Zhirinovsky will run.
The presidency, he said Tuesday, would
make a fine 50th birthday present.
But for now, Mr. Zhirinovsky's share of

the votes translated into only an eighth of the seats in the new parliament, and that body will be far weaker than the old Congress of People's Deputies, because the con-stitution also approved on Sanday gives President Boris N. Yeltsin considerable powers to clude it.

There was no telling, moreover, whether Mr. Zhimnovsky would prove to be an obstacle to whatever government Mr. Yeltsin installed, or whether he would settle for the role of heckler. At a news conference Tuesday, he insisted he was prepared to cooper-ate fully with Mr. Yeltsin and the govern-

The more immediate danger was in the sharp setback to whatever small sympathy and trust Russia may have begun to develop among its neighbors and in the world, and to

the even slenderer trust Russians themselves may have begun to feel for democratic pro-

To much of the world, this was the Russian bear abruptly rampant, and all the tentative talk of large-scale aid, partnership for peace, a universal NATO or a new world

order seemed suddenly in jeopardy.

The proliferation of bright kiosks, luxury hotels and English-speaking reformers in Moscow had given many in the West an

## **NEWS ANALYSIS**

illusion of a nation gratefully embracing change, while the anger and despair were hidden from view in moddy provincial cities, dilapidated barracks and teeming rail

The risk now was that this cheery illusion would be replaced by the specter of militant

President Bill Clinton seemed to be in a distinct minority when he described the vote as an understandable reaction and said he planned no general change in his Russia

Closer neighbors reacted with far less equanimity. Ukrainian lawmakers strengthened their resolve not to part with nuclear missiles. Baltic presidents gathered for an emergency summit meeting. East European governments, ever wary of their recent captor, were certain to clamor more strongly for. North Atlantic Treaty Organization protection, while at the alliance, secretary-general Manfred Womer reminded members of the need for "cohesion and vigilance."

"We always warned about the danger of Russian imperialism," said Dmytro Pav-lychko, the head of the Ukrainian parlia-

See DANGER, Page 2



# **Ultranationalist Assails** Jews for 'Provocations'

By Lee Hockstader

Washington Past Service

MOSCOW — Vladimir V. Zhirinovsky, the ultranationalist whose party placed first in Russia's legislative elections Sunday, said Tuesday he intended to run for president and accused Jews of provoking anti-Semi-

Flanked at a news conference by a retinue of bittle-known sides he calls his "shadow cabinet," Mr. Zhirinovsky did his best to present a moderate, even mild, facade. He spoke as if he were about to form a government, at one point referring to "our new

foreign policy department."

It is unclear how much clout Mr. Zhirinovsky will wield when the new leg\_slatme starts work next month. Although Mr. Zhirmovsky's Liberal Democratic Party may be the largest single bloc in a fractured lower house, President Boris N. Yeltsin is under no obligation to offer him a cabinet posi-

Moreover, Mr. Zhirinovsky may be unable to form coalitions with the Communists and other parties in the legislature that also oppose Mr. Yeltsin's reforms. His actual impact on policy may be slight, and his main role may be as a critic from the sidelines. Nonetheless, that very stratagem has brought him this far and may suit his presi-

dential ambitions perfectly. Presidential elections are due to be held in 1995. At the news conference, dressed in an evening suit, commerciand and bow tie, Mr. Zhirinovsky seemed increasingly to lose his cool as the nearly two hours of questions and answers wore on. He appeared especially bothered as journalists peppered him with

questions about his attitude toward Jews

and other minorities. After heatedly and repeatedly denying that he or his party are anti-Semilic, he seemed to lose patience and said in a voice nearly hourse with fervor that his party's supporters were "sick and tired of the fact that TV announcers are representatives of a

non-Russian nationality.

They would very much like to see kind Russian faces who talk to them in good Russian," he said. He added a short while later, "At a cer-

tain stage of development a wave of anti-

# If Zhirinovsky might be a parody of an parady ist, nobody is languing. Page 2.

Semitism arises. But we don't want this to happen. This is provoked by those who consider themselves part of the Jewish nation. We don't need provocations like this." Also Tuesday, Reuters reported from Germany that in a radio interview broadcast Monday with North German Radio in Hamburg, Mr. Zhirinovsky threatened Germany with nuclear annihilation if it tried to interfere in Russia's internal affairs. He said he would not hesitate to create "new Hiroshimas and Nagasakis" or a "Chernobyl in Germany" in order to keep Germans away

The Germans are interfering in Russia now, but if a German looks at Russia the wrong way when I'm in the Kremlin, you Germans will pay for all that we Russians have built up in Germany," he said. It was

See RUSSIA, Page 2

**Newsstand Prices** Andorra .....9.00 FF Luxembourg 60 L. Fr 0.96% 21.80 3,742.63 1.49 108.99 5.8405

International Herald Tribune
GENEVA — The United States and the European Community virtually assured com-pletion of a global trade accord by shoving their toughest disputes under the table Tuesday, but it was a last-ditch compromise that limits the market liberalization that they set out to

achieve seven years ago.
Negotiators and political leaders hailed the result nonetheless. There was relief that after seven long years and two previous failures, the trade talks were almost certainly headed for success by Wednesday's deadline. And there was satisfaction that the final

package would include big cuts in tariffs and clear and enforceable trade rules, all of which economists hope will give the global economy a lift amounting to more than \$200 billion a year. Mickey Kantor, the U.S. trade repres

tive, said Tuesday that the Uruguay Round, as the series of trade talks that began in Uruguay in 1986 has been known, will bring more barriers down further than any other trade agreement in history. Mr. Kantor and his EC counterpart, Sir Leon

Brittan, reached a settlement early Tuesday, after a full night of bargaining, only by agreeing to exclude from the agreement their final, emo-

**Major Points** 

Of the Accord

Compiled by Our Staff From Dispatches

Following are the main points in the agreement reached Tuesday in Geneva by the European Community and the United States:

AUDIOVISUAL: No agreement on movies and television programming. The issue was ex-

chided from the broader treaty, which was a

victory for Europe, It means that neither the EC nor the United States needs to act now to open

its market in this sector. The quotas, subsidies and rules applied by the Community in the audiovisual sector, which the United States

But the audiovisual industry will be subject

to the rules laid down for international trade in

general. The Europeans say this means that the Americans cannot decide to make unilateral

attacks on the audiovisual front. But the U.S. trade representative, Mickey Kantor, says the United States will continue trying to open up

FINANCIAL SERVICES: Few significant

market openings, but the agreement will allow talks on banking, insurance and brokerage ac-tivities to go on for two more years. A toned-down U.S. proposal got European

apport in the battle against closed Asian markets. The United States will have an 18-month exemption from the obligation to open its mar-

countries, or, more probably, the United States will open up only to countries that have done the same for U.S. banks and insurance companies. The latter approach would be contrary to GATT principles, which call for all countries to be treated on the same basis. But the Europeans have joined the United States on this point and

AVIATION: As the Community wanted, the U.S.-EC agreement of 1992 on large aircraft is maintained. It limits the amount of direct and indirect subsidies granted for research relating to aircraft with more than 100 seats.

On the other hand, programs for building all other types of aircraft will now be subject to the general subsidies code, as the Americans wanted. The European side won a few exemptions. WORLD TRADE ORGANIZATION: Accord on such an agency, which is supposed to take over from GATT. It will be responsible for

ensuring growth and liberalization of world trade, ensuring observance of Uruguay Round rules and settling trade conflicts.

MARITIME SHIPPING: Only minimal market opening though it is to be brought under GATT for the first time.

wanted to limit, are maintained.

the European andiovisual market.

ket to Asian financial services.

might even use the same system.

tionally charged obstacle - trade in movies

and television programming.
The result allowed France, which had vowed to veto any deal that did not protect its movie industry sufficiently, to claim its second hig victory of the past two weeks, having previously won concessions from Washington on agricul-

We got all we wanted from the start, which is basically the cultural exception," Communications Minister Alain Carignon of France said in a radio interview.

U.S. officials proclaimed themselves more than satisfied with the overall result, with President Bill Clinton saying. "We are now on the verge of a historic victory in our efforts to open foreign markets to American products."

The two sides also effectively agreed to keep shipping and commercial aircraft out of a glob-al package, at least for now, And Mr. Kantor won Sir Leon's support for a toned-down American proposal on financial services that acknowledges there will be few significant market openings by Wednesday's negotiating dead-line but will allow talks on banking, insurance and brokerage activities to continue for two more years.

On financial services, the United States dropped a proposal that would have denied

that did not open up their markets, a proposal

aimed at Japan and other Asian countries.

The result failed to measure up to the full promise of the talks taking place under the General Agreement on Tariffs and Trade, but the prospective deal does include major achievements that will allow all sides to claim

Mr. Kantor hailed it as "the largest marketaccess package in history," with tariffs on a broad range of industrial goods and natural resource products falling by an average of 33

Mr. Kantor also claimed success in getting agriculture included in a global trade package for the first time and noted that Washington had won access to Europe's market for farm goods in exchange for concessions on EC farm-export subsidies. In what many American officials called their biggest victory, Mr. Kantor cited amendments adopted this week that effectively preserve U.S. authority to impose anti-

dumping penalties on unfairly priced imports. The United States said the agreement would not weaken its power to take such unilateral retaliatory action in commercial disputes under

Section 301 of its trade law. Europe also claimed a victory on trade rules the creation of a Multilateral Trade Organiza-tion. Unlike the GATT, that body would have power to enforce rulings penalizing unfair trade practices, and it is seen as a means of expanding trade rules into controversial areas such as environmental and labor standards.

Work continued late Tuesday on a few re-maining issues, including textiles, where the United States and the EC laid down tough language linking their commitment to abandon import quotas over 10 years to reciprocal commitments by Third World countries to open their markets to imports.

The language had been aimed primarily at lndia and Pakistan, and Pakistan responded Tuesday with an offer to take in more imports. Meanwhile, the United States was seeking a change in rules on intellectual property to restrict compulsory licensing of technologies. which U.S. semiconductor companies say would allow foreign countries to poach on their

Although work on the details was expected to continue right up to the deadline of midnight Wednesday, Washington time, trade officials said it was almost inconceivable that anything



## France Crows Over 'Great' Victory to Save Its Culture repeated threat to veto the entire GATT pack-

By Alan Riding New York Times Service

PARIS — Having dragged the GATT negoti-ations to the brink of disaster, France claimed Tuesday that it had won an important victory by forcing the United States to be flexible about agricultural exports and to exclude mov-ies and television from a proposed global trade

iberalization package.

Opposition parties and farmers were less ebullent over what France achieved but, for the rightist government of Prime Minister Edouard Balladur at least, the gamble of testing its will against Washington and risking a crisis in relations with its European partners seems to have

"This is a great and beautiful victory for Europe and for French culture," France's comnications minister, Alain Carignon, enthused after American and European Commu-nity negotiators decided to exclude culture from GATT. "We got what we wanted from the

beginning."

After the United States agreed last week to renegotiate a farm trade deal worked out with the 12-nation Community in November 1992, France also said it had achieved its main purpose of softening the impact on its 1 million farmers of a reduction in subsidies to agricul-

France was almost alone in opposing the original farm trade deal, but in the end its

tural exports.

age won it concessions. On the question of audiovisual trade, which France said threatened its movie industry, the Community eventually backed Paris. France also claimed success in its campaign to have a new multilateral trade organization

replace the General Agreement on Tariffs and Trade. The proposal had the backing of most of the 117 members of GATT, but the United States had long argued that it would add unnecessary bureaucracy. Mr. Balladur, who inherited the trade con-

flict when he took office in March, is to present the broad lines of the GATT package to the National Assembly on Wednesday. He will also

seek a vote of confidence which, with conservatives holding 80 percent of parliamentary seats.

he is certain to win.

But Mr. Balladur may have more difficulty in persuading France's powerful farming lobby to accept the agreement. Farmers in a number of cities demonstrated Tuesday against the rene-gotiated farm trade deal, while some 30 angry farmers even occupied the area around the Arc de Triomphe in Paris on Tuesday afternoon.

"Europe lay down and France capitulated," the conservative deputy Philippe de Villiers told another farmers' meeting near Les Invalides in Paris. 'The government of Mr. Mitterrand and Mr.

See FRANCE, Page 5

# **U.S. Officers Trained Civilians** Tied to El Salvador Death Squads

By Tim Weiner

New York Times Service WASHINGTON - As recently as three

years ago, U.S. officers in El Salvador trained a group of wealthy Salvadorans associated with rightist death squads, State Department documenus show.

The training occurred at a time when the threat of communism was receding and the Bush administration was pursing peace settlements in Central America. The documents are the first to describe Americans as training civilians tied to political

killings in El Salvador, and the first to link U.S. support to Salvadoran death-squad activities in the 1990s. "My worst fears are realized," the U.S ambassador, William G. Walker, wrote in a cable-

gram from San Salvador to the State Depart-

ment in October 1990. The ambassador said he had learned that U.S. officers were giving weekly training to a group of 50 to 60 wealthy Salvadorans who called themselves Los Patrioticos, the Patriots.

U.S. officers called the unit "the BMW Brigade." Mr. Walker called its members "adventure-seeking, gun-toting, 'Soldier of Fortune' magazine-subscribing, nich, young extremists.

Citing U.S. intelligence reports, he said the unit "was being used as a cover for death-squad

Mr. Walker's cablegram did not say what rationale had been given for assigning U.S. military trainers to a civilian group. Nor did it specify the group's activities, But it said it was affiliated with Roberto d'Aubrisson, a rightist politician identified this year by a United Na-

See SQUADS, Page 5

Kiosk

## **Saddam Orders Release of Europeans**

NICOSIA (AP) — President Saddam Hussein of Iraq ordered the release of a German on Tuesday, after he freed a Frenchman imprisoned six months ago for entering Iraq imprisoned six months ago for enter

## Britain and Ireland Near Peace Pact on North

LONDON (Reuters) - The prime minis- in Northern Ireland, British officials said ters of Britain and Ireland, John Major and Tuesday. They said the two leaders agreed to Albert Reynolds, will meet in London on the meeting after a heetic day of telephone Wednesday to put the final details to a diplomacy aimed at settling one of the

declaration that could pave the way to peace world's longest-running guerrilla conflicts.

Random testing backs estimates that up to 1 Israel lifted its ban on the remaining 200 million Americans have AIDS virus. Page 3. Palestinian deportees. Page 2.

Page 22. Weather

Page 22

General News

& COMICS

# Zhirinovsky, Parody of the Right? Nobody's Laughing

MOSCOW - If his party had not won almost a quarter of the vote in parliamentary elections, Vladimir V. Zhirinovsky could well be dismissed as a crude parody of a primitive rightist, fired by self-pity and primitive oationalism, quick to hlame foreigners, intellectuals, or unappreciative betters for all his failures, certaio of his cause.

His posters show the lawyer, 47, wearing a hadly knotted tie and a puffy scowl over slogans like, "I'll raise Russia from her knees." or "I'll not allow anyone

His speeches are the stuff of barroom hravado. When he gets Alaska back from the United States. he'll make sure the Americans compensate Russia for the natural resources they used up. Give the Kuril Islands hack to Japan? They'll forget about their claim when he sends Russian warships cruising off

By the time the Central Asians finish cutting each other's throats, they'll beg to become part of Russia. He dreams of Russian soldiers massing for a crusade - "The Last Play for the South" as he calls his autohiography published this year - a vast drive to Russia's predestined borders on the Indian Ocean and

the Mediterranean Sea. To counter whispers that Mr. Zhirinovsky is homoindifferent to women. Is that so?" He is married and

has a son. His autobiography reads like a parody of Dostoyevsky's "Insulted and Injured." He remembers every childhood slight, the names of boys who beat him. He describes an unrelentingly miserable childhood in a communal apartment. He seems to revel in describing humiliations.

"I was denied the most elementary family coziness. human warmth," he wrote.

"Life itself forced me to suffer from the very day, the moment, the instant of my hirth. Society could give Two months before her death, my mother would tell me, 'Volodya, there's nothing to remember, not

one happy day. Born in Kazakhstan and educated in Moscow, Mr. Zhirinovsky devotes pages in his book seeking to prove that he is a Russian. Vladimir is a Russian name, he reminds the reader, his town and building were peopled by Russians, all his relatives - except for the hushands of two distant aunts — are Russians. The only problem is the name of the father who died shortly after he was born. Volf. The name, he he acknowledged, is "not so familiar to a Russian ear."

sexual, a partire broadsheet carries a series of five snapshots of him ogling a huxom woman's decolletage under the headline, "They say Vladimir Zhirinovsky is under the headline," They say Vladimir Zhirinovsky is view that met with so powerful a response from a little of the say Vladimir Zhirinovsky is view that met with so powerful a response from a little of the say Vladimir Zhirinovsky is view that met with so powerful a response from a little of the say Vladimir Zhirinovsky is view that met with so powerful a response from a little of the say Vladimir Zhirinovsky is view that met with so powerful a response from a little of the say Vladimir Zhirinovsky is view that met with so powerful a response from a little of the say Vladimir Zhirinovsky is view that met with so powerful a response from a little of the say Vladimir Zhirinovsky is view that met with so powerful a response from a little of the say Vladimir Zhirinovsky is view that met with so powerful a response from a little of the say Vladimir Zhirinovsky is view that met with so powerful a response from a little of the say Vladimir Zhirinovsky is view that met with so powerful a response from a little of the say Vladimir Zhirinovsky is view that met with so powerful a response from a little of the say Vladimir Zhirinovsky is view that met with so powerful a response from a little of the say Vladimir Zhirinovsky is view that met with so powerful a response from a little of the say Vladimir Zhirinovsky is view that met with so powerful a response from a little of the say Vladimir Zhirinovsky is view that met with so powerful a response from a little of the say Vladimir Zhirinovsky is view that met with so powerful a response from a little of the say Vladimir Zhirinovsky is view that met with so powerful a response from a little of the say Vladimir Zhirinovsky is view that we will be a little of the say Vladimir Zhirinovsky is view that we will be a little of the say Vladimir Zhirinovsky is view that we will be a little of the say Vladimir Zhirinovsky is confused, humiliated and impoverished nation.

It was a weefully familiar pattern in the 20th century, and shouts of "fascist!" quickly sounded from the ranks of democrats.

It is too early to judge whether Mr. Zhirinovsky qualifies as a fascist, but his party is oeither liberal nor democratic, It was formed in 1990, one of the very first political parties to register legally in the Soviet Union, hut before long it became purely a platform for him-self and his menu of quick solutions, na oonalist hluster and alluring promises.

One paper called it "autocratic populism." He was the little man bashing the hig guys. He played to deep-seated resentments of the Communists who had enslayed Russians, of the "democrats" who had impovcrished them, of the Americans who were exploiting

them, of the Georgians who were robbing them. He promised protection for the poor, security for the rich, honor and dignity for the military, hread for the hungry, a peaceful life for the old, and vacations in

He vowed to make Russia great, feared, and respected again. His symbol was a falcon over a Russia that extended from Alaska to Finland. He would reconstitute a Russia stretched to its imperial borders. He U.S. Confident on Korea Defenses WASHINGTON (Combined Dispatches) — Seeking to reassure jittery allies and the American public, the chairman of the Joint Chiefs of Staff

In fact, while President Boris N. Yeltsin was acquiescing in the American-led economic sanctions against Iraq, Mr. Zhirinovsky traveled there and met with President Saddam Hussein. His travels have taken him around the world.

"I am a moderate in all things," he declared in his book. "Only on the question of statehood am I firm." It was the stuff Russians increasingly wanted to hear as their world fell apart. The first sign of his appeal came in Russia's presidential race in 1991, when he came in third, behind Mr. Yeltsin and the former the Soviet prime minister, Nikolai I. Ryzhkov.

The confusion and dislocation of economic reforms turned out to be a gold mine. Mr. Zhirinovsky lay low when Mr. Yeltsin disbanded the old Congress of People's Deputies, but when the campaign for a new parliament began, he emerged with an ample war chest and probably the best understanding of the potency of

His rapid-fire delivery and unambiguous pledges drew more attention than the academic and stilted speeches of his opponents, and his ratings soon began

sia and the West

tion in it," he said.

**NATO Plan for East** 

In Doubt After Vote

tries, which fear Russian expansionism and want NATO things, against a resurgence of Russian great-power nationalism.

By Craig R. Whitney
New York Times Service

hy rightist nationalists in Russia's

parliamentary elections has thrown

a new element of uncertainty into

the preparadons for next month's

NATO summit meeting in Brus-

At the meeting Jan. 10-11, the

leaders of the alliance are expected to approve a U.S. proposal to offer

increased political and military co-

operation between the alliance and

former Warsaw Pact members, on a

basis that would put Russia on the same footing as Poland, Hungary,

or the Czech Republic. The propos-

had been saying that he wanted to

find a way at the meeting to make it clear to the East Europeans that

they could some day qualify for membership, despite the fact that President Boris N. Yeltsin was

Since the election, Mr. Kinkel has sounded much less confident.

"We want to be highly cautious, and we should keep that in mind

day. German officials said they

feared that the nationalist strength

in the new parliament could in-

crease pressure on Mr. Yeltsin to

lo a meeting in Brussels last week with the NATO secretary-

general, Manfred Worner, Mr. Yeltsin refused to say whether he

would join the "partnership for peace" proposed in the American

initiative. Mr. Worner said in Paris

Worner said. 'On the one hand, the

power in Europe.

cohesion and vigilance."

The radio station said the interew had taken place before Suntry's elections.

Mr. Zhirinovsky's news confermant of the vote, by far the largest portion. In second place with 15 percent was Russia's

lantic Treaty Organization was in Germany. right to remain vigilant while Rus-

warning against an expansion of in 1996. NATO toward the Russian border. "I war

membership for protection.

BONN - The strong showing

-SERGE SCHMEMANN

The West should make clear

that it is offering the Russians co-operation in a European security

system, and offering some East Eu-

ropean countries eventual integra-

Putting all formerly Communist

countries on an equal footing, the American "partnership for peace"

proposal has been criticized by

Czech, Polish and Hungarian lead-

ers as an inadequate response to

their request to become members of the Western security community

- as insurance, among other

inovsky added to them this week in

the Russian presidential elections

for the interests of the army," he told the Munich National-Zeitung.

"It cannot be in the interest of

tent and let a world policeman call

In the interview, Mr. Zhirin-

military cooperation with Germa-

But in an interview with North

wrong way when I'm in the Krem-

the tune."

hard Frey.

oo Tuesday that the outcome of the al conventions, and in the interview

election showed that the North At- said he regarded it as his "partner"

sia remained the biggest nuclear ovsky said he was in favor of close

will to establish real cooperation German Radio, he threatened: "If

with the Russians: on the other, a German looks at Russia the

"Both tracks of our policy to- ny, and called for an "eternal alliwards Russia remain valid," Mr. ance" between the two countries.

"I want a healthy and defensible Russia, and in this I am speaking

## U.S. Aide Seeks Haiti Refugee Review PORT-AU-PRINCE, Haiti (NYT) - With human rights abuses

Korean attack on South Korea.

increasing and the number of refugees on the rise, the United States should review its policy of forcibly repairating the Haitians it picks up, the administration's top human rights official said Tuesday.

At the end of a visit to the Carlobean nation, John Shattuck, assistant secretary of state for human rights and humanitarian affairs, said he would advise that the policy be re-evaluated. He did not explain what the

WORLD BRIEFS

said Tuesday that the United States could successfully repel a North

"As far as our confidence to stop a North Korean attack into the South, I'm very, very confident," said General John M. Shalikashvili. He acknowledged that some military analysts questioned whether allied

forces could stop the North Korean ground force before it reached Seoul,

the South Korean capital, which is about 30 kilometers from the border.

About 36,000 U.S. ground and air forces are stationed in South Korea, which has armed services numbering 650,000.

At one point, he said it was a "possibility" that Seoul could be fully

defended, and later he added, "I certainly think it's a very good likelihood, but there are also many imponderables that you cannot predict at this stage."

(NYT, AP)

would advise that the poincy be re-evanuated. He did not explain what the alternatives might be.

The announcement came on the same day as the U.S. repatriated I 10 refugees, the third boatload of Haitians to be returned to Port-au-Prince in a week. The recent increase in the number of boats picked up heading for Florida has prompted fears that a mass exodus, similar to the one that followed the overthrow of the country's president, the Reverend Jean-Bertrand Aristide, may be imminent. U.S. officials fear that increased repression, especially in the provinces, may force more poor Haitians to take to the seas.

## Tuesday that he agreed that NATO leaders should not do anything to create new hostilities between Rus-Israel-Vatican Ties Expected in April

JERUSALEM (AFP) — Israel and the Vatican will establish diplomatic relations for the first time at the end of April, Israeli television reported Thesday. The two will sign an agreement in Rome on Dec. 29, calling for full diplomatic ties and an exchange of ambassadors to be in place four

months later, it said.

The former secretary of state at the Vatican, Cardinal Agostino Casaroli, met Shimon Peres, the Israeli foreign minister, during a recent trip to Israel, the television added. It did not say whether the deal was made them. A Foreign Ministry spokesman refused to confirm the report.

The Vatican has never had diplomatic relations with Israel since the state was created in 1948, but its delegate to "Jerusalem and Palestine" is

## **UN to Name Rights Commissioner**

Andrea Cordero di Montezemol.

UNITED NATIONS, New York (NYT) - The most contentious issue facing the 48th General Assembly this year was resolved over the weekend when the nations of the world accepted a plan, under discussion for more than 40 years, to appoint a high commissioner charged with ensuring respect for human rights around the globe. Vladimir V. Zhirinovsky's Liber-

Until the Russian vote, Foreign al Democratic Party, the big winner of the elections in Russia, personihad been saying that he wanted to The agreement to create a UN High Commissioner for Human Rights with the power to intervene wherever basic freedoms are being suppressed was reached in a working group of rich and poor countries and is expected to be endorsed unanimously by the 184 members of the General an interview with an extreme-right.
German newspaper in which he said that he would run and win in Assembly next week.

Assembly next week.

The proposed new high commissioner would not have the power to force governments accused of abuses to change their ways. But he could try to shame them into doing so by publicizing violations and reporting them to the General Assembly or the 53-nation Human Rights Commis-

## From Diana, a Singular Greeting

LONDON (Reuters) — Diana, the princess of Wales, has asserted her independence from her estranged husband, Prince Charles, by dropping his name from her Christmas cards while the heir to the throne has especially after the outcome of Russia, Germany, or practically the these elections, he said on Mon-entire world to render Russia impo-

retained a joint greeting.

From The Household of the Royal Highnesses The Prince and

Mr. Zhininovsky's strong showing has also shocked mainstream
London paper Thesday.

The Evening Standard said the card, showing a watercolor view of a mainstream But in a show Scottish mountain painted by Charles, was a surprise to friends and staff of the prince, 45, who was separated from Diana a year ago. But in a show an extreme-right party, the Ger-man People's Union, led by the National-Zeitung's publisher, Ger-personal Christmas cards.

## Mr. Zhirinovsky has appeared at the German party's last two nation. Patten Urges China to Reopen Talks

HONG KONG (AP) — Governor Chris Patten made a last-minute. appeal to China for more negotiations but stuck by his plan to submit his

ectoral program to the Hong Kong legislature on Wednesday.

Mr. Patten said Tuesday that he had "asked once again today for confirmation from the Chinese side of agreement on the dates for the 18th round of talks." But he said he would not delay the legislation, even if China agreed to keep talking.

China, which resumes sovereignty over the British colony in 1997, opposes Mr. Patten's program and says any move to make it law will spell the end of negotiations.

## ing the names of the deportees, all gressively, the Islamic Resistance by the United Nations Security Movement, better known hy its ac- Council.

By Clyde Haberman New York Times Service

JERUSALEM - About 200 Palestinians who were expelled hy Israel a year ago packed their be-longings at a hillside teat camp in southern Lebanon on Tuesday as the Israeli government closed the book on a mass deportation that had brought it international coodemnation and few of the hopedfor security benefits.

the architects of time

SPORT

FRANCE: HEURGON, PARIS GERMANY: BECKER, HAMBURG

ITALIE: TARASCIO, ROMA

SWITZERLAND: GÜBELIN, ZÜRICH, GENEVA

LIECHTENSTEIN: HUBFR, VADUZ

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accused Islamic militants, who would be allowed to return to the occupied territories on Wednesday

a security zone. A Lebanese messenger drove to meot to strike hard at the Islamic

deaths triggered national outrage here and persuaded the governthe camp with an Israeli letter list- Holy War group and, far more ag-

ronym in Arabic, Hamas, Although Prime Minister Yitz-

WAITING AMID THE DEBRIS — Egyptian women watching rescue workers in a poor Cairo neighborhood on Tuesday after a landslide sent boulders the size of houses crashing down on the area, killing at least 27 people. Twelve people were missing.

Israel Ends Exile for Last 200 Deportees

by way of the huffer strip across hak Rahin insisted at the time that southern Lehanoo that Israel calls he had dealt a serious blow to the Hamas support structure, other of-They are the last of an original group of 415 who were sent into exile on Dec. 17. 1992, after five feet of increasing the movement's listaeli troops shot dead two Palestinians and wramded 12 in the the expense of Israel's present ne- Gaza Surip on Tuesday, the sixth gotiating partner, the Palestine anniversary of the founding of Ha-Liberation Organization.

Also, the action did nothing to end lethal attacks on Israelis, which erament in March to shut off access to Israel from the occupied

West Bank and Gaza Strip. In the public relations depart-ment, it did Israel little good except overseas, including condemnation at least 10 days.

unclear what German interference

he had in mind. Germany has been

the leading donor of foreign aid to

Russia and a prime source of for-

eign investment capital.

"The same goes for the Japanese," Mr. Zhirinovsky said. "They

already experienced Hiroshima

and Nagasaki. 50 years have gone

hy and maybe they've already for-

gotten this. We will create new Hi-

roshimas and Nagasakis, I will not

hesitate to deploy atomic weap-

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"ft was a wise thing to do then," Oded Ben-Ami, a Rabin spokesman, said Tuesday, emphasizing the word "then." "We shall see the results."

mas, witnesses and hospital sources

said, according to Reuters. Israeli forces were on high alert reached a new peak a few months later and prompted the Rabin government in March to shut off acoposition to an Israeli-PLO peace

Israel and the PLO oo Monday missed their first major peace deadment, it did Israel little good except time, delaying the start of an Israeli among staunch supporters, for it troop withdrawal from Gaza and led to widespread denunciations the West Bank town of Jericho for

RUSSIA: Zhirinovsky Mixes Mild and Outrageous

day's elections.

view had taken place before Sun-

particularly its neighbors in East-

government, said he was consider-

ing closing his office here. He said

he was afraid that in the current

political climate, foreign advisers

preaching radical economic reform

could only hurt Mr. Yeltsin's em-

battled government.
President Leonid M. Kravchuk

of Ukraine said Russians had voted

to re-create the "czarist empire," which he said could be "the begin-

ning of a huge cataclysm in Europe

and the world." Foreign Minister

Andrzej Olechowski of Poland, on

a visit to Washington, called the results "simply bad."

economic adviser to Mr. Yeltsin's percent of the vote.

ern Europe and the Baltics. In Moscow, Jeffrey Sachs, a Har-vard professor who has been an

## In Germany, an opposition So-ial Democratic foreign policy that we Russians have built up in cial Democratic foreign policy that we R spokesman, Karsten D. Voigt, said Germany.

## **Broken Illusions**

**DANGER:** 

Continued from Page 1

ment's Foreign Affairs Commis-

ence came as political shock waves Choice, the main reformist bloc led continued to roll over Russia and hy Mr. Yeltsin's chief economic adsion and a proponent of holding on to Ukraine's nuclear missiles. "It viser, Yegor T. Gaidar. The Communist Party placed third, with 11 percent, and their rural cousins, the must be clear to the West now why Ukraine wants to defend itself." Agrarian Party, was fifth with 8 Poland's former defense minis-

ter, Janusz Onyszkiewicz, urged that NATO reconsider its reinctance to accept East European states: "Perhaps the West will real-ize that a policy of avoiding deci-sions that could anger nationalists in Russia does not have any effect."

Further afield, Foreign Secretary Douglas Hurd of Britain declared the vote "alarming."

The danger was that the alarmed reaction could turn into a self-fulfilling prophesy, driving Russians further into xenophobia. Among those who warned against this was Foreign Minister Klaus Kinkel of Germany, who urged Western donor nations not to suspend aid.

# TRAVEL UPDATE

## Glitches Delaying EC Open Borders PARIS (Reuters) - Abolition of border controls among nine Europe-

an Community nations, aiready more than a year late, could suffer further delays because a central computer database is still not working, a German minister said Tuesday.

Bernd Schmidbaner, minister of state in Chancellor Helmut Kohl'ge.

office, said that the system to exchange immigration and police datas among the nine would not be working by Feb. 1 and that some states were citing the problem as a reason for further postponement.

Mr. Schmidbaner, in Paris for a review of the open-border accord, said it was a "medium-sized scandal" that the software was not working. He denounced politicians who he said were seeking to use this as a pretext to delay abolition of controls. He did not name any countries, but diplomats said the French interior minister, Charles Pasqua, was demanding that the system he fully operational before borders were opened.

Train services in France will be normal Wednesday despite a call by a rail union for a one-hour strike from 11 A.M. until 12 A.M., the state rail company, SNCF, said Tuesday. The union said the strike is over wage

The first Kenyan train to Uganda in 16 years left Nairobi on Tuesday as part of renewed efforts toward closer economic cooperation between East

English rail travelers suffered another day of chaos and cancellations on Tuesday after a suspected IRA bomb exploded on a track near Woking.

west of London. No one was hurt by the small blast, but thousands of commuters were delayed. A Christmas service is to be held in Dresden in the rained Frauenkirche

for the first time since the end of World War II, when the city was systematically destroyed by Allied bombs. At least 60,000 people died in the bombings. Work on rebuilding the church, which had been left in ruins by the Communist regime, began in February.

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The parties will divide on a pro-

portional hasis 225 seats, or half

the total slots in the lower house of

the new legislature, known as the

State Duma. The other 225 seats

are to he filled with the winners of

local races in single-representative

The composition of that half of

the Duma is still not entirely clear.

Reformists who support Mr. Yelt-sin's policies were doing better than

Mr. Zhirinovsky's ultrana donal-

ists. But independents of uncertain

constituent districts.

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tallies, which include 77 of Russia's among the victors.

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visit to Washington, called the political loyalty, including mem-esults simply bad. political loyalty, including mem-bers of the parliament Mr. Yeltsin dissolved in September, were

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# STATESIDE / STARTING OVER ON PUBLIC AND

## Reno Moves to Put Justice Dept. In Order

WASHINGTON — Attorney General Janet Reno announced steps. Taesday to bolster the Justice Department's professional discipline process and to speed its response to judicial allegations of ethical misconduct by federal prosecutors.

She also said she intended to open to greater public scrutiny the findings of the department's Office of Professional Responsibility, which investigates complaints of abuse of power by Justice Department lawyers but whose findings, by department policy, generally

have been kept secret.

Ms. Reno's action follows an increasing number of complaints from judges, defense lawyers and others about what they consider to be the increasing incidence of misconduct by federal prosecutors and the Justice Department's failure to discipline them or to reveal the results of internal investigations.

Many of the misconduct cases involve withholding of evidence helpful to defendants or targets of grand jury probes.

Most recently, judges have publicly accused prosecutors of such

misconduct in their efforts to prove that a suburban Cleveland antoworker, John Demjanjuk, was the Nazi death camp guard "Ivan the Terrible." Federal judges in Chicago have recently overturned convictions of members of the notorious El Rukus street gang, citing prosecutorial misconduct.

Ms. Reno's statement stemmed, in part, from the angry denunciation last week of the Justice Department's disciplinary process by a federal judge in Los Angeles. Judge James M. Ideman of U.S. District Court said he had been waiting three years for the department to respond to his findings of prosecutorial misconduct. He had been to respond to his findings of prosecutorial misconduct. He had been the control of the said of the dismissed a major racketeering case after determining that the prosecutor had concealed evidence favorable to the detendant and then lied to the court about it. "Delays in evaluating allegations of professional misconduct, such as the delay described by Judge Ideman, are not acceptable," Ms. Reno said:

(WT)

## Prosecutions Unlikely in Passport Inquiry

WASHINGTON - One year after the appointment of an independent counsel to look into the 1992 pre-election search of President Bill Clinton's passport files, the investigation is coming to a conclusion with the likelihood there will be no prosecutions, accord-

The counsel, Joseph E. diGenova, has interviewed former President George Bush and three of his former senior White House aides in the final phase of his inquiry, the sources said. Mr. Bush and the others "have produced records and cooperated completely," said a source outside the independent counsel's office.

But a recent sealed decision by Judge John Garrett Penn of U.S. District Court makes it unlikely that any criminal prosecutions will emerge out of Mr. diGenova's inquiry, according to another source outside the independent counsel's office.

outside the independent counsel's office.

Mr. diGenova was appointed by a special three-judge panel to investigate allegations that Bush administration officials illegally disseminated information from Mr. Clinton's passport files and that one or more senior White House staff members may have lied to State Department in vestigators about their knowledge of the search.

The appointment took place after the State Department's inspector general, Sherman K. Funk, found that Elizabeth M. Tamposi, who was the assistant secretary of state for consular affairs, and Steven K. Berry, who was the acting assistant secretary for congressional relations, had used their positions to attempt to find information critical of Mr. Clinton in the department's old passport files and thus affect the presidential election.

## Quote/Unquote

Responding to reports that he sometimes flew his own plane home to Oklahoma, at a cost to the taxpayers of about twice the commercial air fare, Representative James M. Inhofe, a Republican, said: "Somebody in Congress has to maintain a presence in our air space

## **Away From Politics**

grams for women in their 40s despite the National Cancer Institute's decision to stop recommending regular screening for these women. They say the benefits would be obvious if the proper studies were done. Critics say the studies of mammingram screening have included too few women in their 40s and did not follow their long enough.

• A looming shortage in the unglamorous essentials of modern war—such as fuel trucks, chemical-weapons detectors, medevac helicopters and mine-clearing equipment — could undermine the U.S. Army's ability to deploy and sustain combat forces in an extended crisis, a secret army study warns.

• Colorado's anti-gay-rights initiative is maconstitutional, a U.S. District Court judge said in Denver in his final ruling on the issue. He said the measure violated "the fundamental right of an identifiable group to participate in the political process." State officials said they would decide whether to appeal.

• A second witness has testified that the U.S. Navy's top admiral saw misconduct at the so-called Tailhook convention in 1991. Robert L. Beck, a commercial pilot and captain in the Navy Reserve, said Admiral Frank B. Kelso 2d overheard a group of men urging a woman to expose her breasts at the military officers' convention. Dozens of women say they were molested there by drunken navy and

• Users of hand-held cellular telephones are exposed to levels of radiation that are well within national safety standards, according to a study for the National Institutes of Health. NYT, WP. AP

# Wisconsin Quits Federal Welfare System for State Plan

## By Jason DeParle

New York Times Service WASHINGTON - Wisconsin has decided to withdraw from the federal welfare program within five years and to replace the much-criticized system with an unspecified state plan for public relief.

The pledge, signed into law, is the first time a state has sought to drop the federal welfare program since its inception during the Depression, and it reflects the political turmoil engulfing the welfare system around

The law was signed Monday after months of careful maneuvering by Governor Tommy G. Thompson, a conservative Republican, and Democratic legislators, who pushed through the radical measure in part as a political dare, doubting the governor would affix his name to it.

Mr. Thompson not only signed the law but praised it, as did its main sponsor, Representative Antonio Riley, a black Democrat from Milwaukee who was

We think the best thing to do is to start over afresh,

rather than tinker around the edges." Mr. Thompson said in a telephone interview. About 5 million families nationwide, or 14 million

people, rely on the federal program, officially called Aid to Families with Dependent Children. That is a national record, and the increased costs and caseloads

are driving the public's antipathy in many states.

Wisconsin, where 243,000 of the state's 5 million residents receive benefits, is one of the few states where caseloads have actually declined in recent years. falling off 10 percent since 1988.

But there, as in most places, dissatisfaction with the welfare system remains deep. In seeking a complete revision of the program, the state is following a long

Mr. Thompson and Mr. Riley both criticized the current welfare system as being anti-work and antifamily. Mr. Riley described the system as "a jailer of

But it was clear they had clashing ideas about what a better system might look like, and it is impossible to know what kind of program might result.

suggested a new system might give public service jobs
Freedman, director of the Center of Social Welfare to people who could not find employment on their Policy and Law. a New York group that provides

"'Make-work' is not the solution," Mr. Thompson said, arguing that it would be better to give private businesses new financial incentives to hire the needy.

But such efforts have generally not worked in the past. Mr. Riley said, "I believe there has 10 be some sort of job creation," though he added that he would support a move to limit the time someone could hold a community-service job.

In order to get federal money for its new system, the state must seek federal approval of whatever program it devises. The federal government now pays 60 per-cent of the state's annual bill, which totals \$453 million, and Mr. Riley argued that the state could not afford to finance a substitute alone.

Legal advocates for the poor were already threatening to challenge the process in court. The provisions they seek to get waived may be

Mr. Thompson vetoed Democratic language that provisions that protect poor people," said Henry Freedman, director of the Center of Social Welfare advice to lawyers for the poor.

Both Democrats and Republicans in Wisconsin said they would work hard to devise a new system of public assistance. But it remains unclear what would happen if they failed to reach agreement by Jan. 1, 1999, when the current program is to expire.

The Wisconsin move comes as the Clinton administration is also proposing a sweeping overhaul of the welfare system, based on President Bill Clinton's popular campaign pledge to "end welfare as we know it.

Mr. Clinmn pledged to impose a two-year limit on cash assistance. After that, he has said, recipients would be required to work or face a reduction in their benefits. But he has not said where the jobs would come from or how the program would be financed.

A study group of administration officials is now drafting a proposal, which may go to him for approval within the next few weeks.

# **High Tide for Immigrants**

WASHINGTON — Two years after Congress liberalized the nation's immigration laws, the United States in 1992 admitted 810,635 legal immigrants, representing one of the largest one-year increases since the turn of the century.

A total of 336,663 of these newcomers, or 41 percent, relocated in California, more than the sum of new immigrants in New York, Texas, Florida and New Jersey, which had the next highest tallies. The leading countries of emigration in the United States were Mexico, with 91,332. grants; Vietnam, 77,728; the Philippines, 59,179; and the republics of the former Soviet Union, 43,590. The report does not include numbers for illegal immigration, estimated to be 200,000 to 300,000 a year.

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# Photographers outside Michael Jackson's Neverland Ranch near Santa Barbara, California, hoping for a glimpse of the entertainer. **Jackson Maid Says She Quit 'in Disgust'**

By Jim Newton and Miguel Bustillo

Los Angeles Times Service LOS ANGELES — A former maid for Michael Jackson has told the authorities that she quit her job with the entertainer after seeing him naked with young boys on a number of occasions, according to sources close to the investigation of

Mr. Jackson.
Blanca Francia, the former maid. told the Los Angeles Times that it was true that she quit in 1991. "I was disgusted," she said. "I could not stay."

to wait until after she had spoken boys were naked. Miss Francia also tained a temporary gag order under oath. She confirmed, however, comments from sources who said she gave investigators details of her years with Mr. Jackson and her reasons for leaving.

a 13-year-old boy who alleges that by what she saw of his contact with the singer sexually molested him, young boys. "It was very difficult," declined requests for comment on Miss Francia, but be has previously said that she is an "extremely sig-

nificant witness." According to sources close to the investigation, Miss Francia has

has alleged that she once found Mr. Jackson and another boy together in a sleeping bag.
Miss Francia said she worked for

the singer for five years, quitting the singer for five years, quitting only because she became angered

Miss Francia is the only person close to Mr. Jackson to publicly state that she saw the entertainer naked with young boys.

Miss Francia's remarks to the said that she saw Mr. Jackson in a Times came as intensity mounted Miss Francia is scheduled to give shower with a young boy and in a in a related pair of criminal and

Monday that prevents lawyers from discussing the contents of depositions taken in the civil suit. After the court session, one of

Mr. Jackson's lawyers confirmed that the entertainer, 35, had returned to Southern California, ending a stay in Europe where Mr. Jackson said he was seeking treatment for addiction to painkillers.

Sources said the singer's lawyers and prosecutors had held at least one meeting which dealt in part with the conditions for Mr. Jackson's return. Among other things, a deposition later this week, and whirlpool bath, where he also was civil investigations into Mr. Jackson's body to see if what they she declined to discuss what she with a boy. In both cases, Miss son's relationship with the 13-year-saw in detail, saying she preferred Francia said Mr. Jackson and the old, Lawyers for Mr. Jackson ob-

# Kevorkian Faces a 3d Trial Over Suicide Help

ROYAL OAK, Michigan -Jack Kevorkian was ordered Tuesday to stand trial on a charge of helping someone with Lou Gehrig's disease commit suicide. He now faces three trials in separate deaths.

District Judge Daniel Sawicki ruled that there was enough evidence for Dr. Kevorkian, 65, to be tried on a charge that he helped Merian Frederick, 72, commit suicide Oct. 22 by inhaling carbon

fused solid food during that time.

Later Tuesday, Dr. Kevorkian
planned to be in another court for a

County, Judge Sawicki refused to death of Donald O'Keefe, who had bone cancer, met the guidelines set oot by a Wayne County Circuit Court judge, Richard Kaufman, for committing a reasonable suicide.

Judge Sawicki refused to reduce ogist, has been present at 20 deaths
Dr. Kevorkian's \$50,000 bond, set since 1990. He is challenging the as Lou Gehrig's disease.

two weeks ago. Dr. Kevorkian has been jailed since then and has reprohibiting the assisting of a sui-

hearing on efforts to get one case consider arguments that the Fred-dismissed. His lawyer, Geoffrey crick case should be dismissed Fieger, said he could show that the based on Judge Kaufman's ruling based on Judge Kaufman's ruling

He heard testimony from Mrs. Frederick's relatives, including her son, Richard Frederick, who said, "My mother was terminally ill and Dr. Kevorkian, a retired pathol- wanted to end it all." She had had O'Keefe met the conditions he out-

Judge Kaufman ruled Monday prohibiting the assisting of a sui- that people suffering from illnesses cide, enacted this year to stop him. from which they are unlikely to recover had the right to kill themselves. But he also said the decision to die must be made rationally and

without undue influence. In the hearing, Mr. Fieger said he would show Judge Kaufman a videotape of Mr. O'Keefe, 73, telling Dr. Kevorkian, "I want in stop the pain, I want to stop the suffering." Under Judge Kanfman's ruling, if Dr. Kevorkian can show that Mr. lined, the charge of assisting a sui-cide could be dismissed.

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Herald Eribune

## First Random Testing Backs Estimates of 1 Million HIV Cases said it is estimated that 40,000 to 60,000 Americans

By Boyce Rensberger

WASHINGTON - The first attempt to estimate the prevalence of the virus that causes AIDS by testing blood from a random sample of Americans indicates that 300,000 to I million are infected, according to the National Center for Health Statistics.

National Center for Health Statistics.

Geraldine McQuillan, an epidemiologist with the U.S. ageacy who presented the findings, said the figures "generally confirm" estimates by the Centers for Disease Control that have been based on a different method. For several years, the centers have esti-mated that about I million Americans are infected.

Efforts to measure the size of the AIDS epidemic have been notoriously difficult, both because of the unwillingness of many people in high-risk groups to be

tested and because of the long and highly variable period between the onset of infection and the first symptoms that might prompt a person to be tested.

Ms. McQuillan said that in her survey, 7,992 Americans over age 18 were selected from 1988 to 1991 to represent the entire country and agreed to have their blood tested and the results reported anonymously. Of these, 29 were HIV-positive, about 0.36 percent. If extrapolated directly to the population in the same age group, the survey would suggest that 550,000 Ameri-

"But we know that's got to be an underestimate," she said, "because we only surveyed people living in households who agreed to be tested. We didn't include people in prisons or other institutions or the homeless." And, she said, some people refused to cooperate. These unsampled groups are known to have relatively high rates of HIV infection.

The wider span of 300,000 to 1 million comes from a statistical calculation designed to show the range with-in which one can be 95 percent certain that the true prevalence of the infection lies.

Ms. McQuillan reported the figures at the National Conference on Human Retroviruses and Related Infections, being held here this week.

The Centers for Disease Control's chief epidemiologist, John Ward, said that 1 million has not changed for a number of years, reflecting the belief that the epidemic is roughly stable. In other words, the number of infected people who come down with AIDS and die is offset by the number who are newly infected.

Since the beginning of the epidemic in the early 1980s, Centers for Disease Control figures show that about 339,000 Americans have become infected with HIV and about 204,000 of these have died. Mr. Ward

"That's a lot, but not as much as it was in the early days of the epidemic," he said. "AIDS is more of a stable situation now."

become infected each year.

Ms. McQuillan offered much the same interpretation. "AIDS has not exploded the way some people thought it might," she said, "bnt, on the other hand, we're not making much headway in bringing down the

When the blood test results are broken down by ethnic group, she reported, they suggest that 0.3 per-cent of whites are infected, compared with I percent of blacks and 0.4 percent of Mexican-Americans. In all groups, men were twice as likely to be infected as women. The highest infection rate was among black

# **AMERICAN TOPICS**

# 'Poetry in Motion'

Graces N.Y. Subways Placards in every one of New York's 6,000 subway cars now feature poems along with the advertisements. They include an excerpt from Dante's "Inferno." John Keats's ode "To Antumn" and the first stanza of T.S. Eliot's "The Love Song of J. Alfred Pru-

The response from the passengers — 3.3 million a day — has-been eathusiastic, Beth J. Harpaz of The Associated Press reports. The program, called "Poetry in

Short Takes Cliff Notes, synopses of the classics, have long made it easier Morion," began a little over a year ago after the Transit Authority's ago after the Transit Attantion of people when for college students to avoid read has spent nearly three solitary de I pay with them." And what does

and decided to try it in New York

The Poetry Society of America

suggests the poems used. So far

just 20 different poems have ap-

peared on the trains, but the au-thority has received hundreds of

letters, calls and requests for

/ I lose some other off my arms

ing "Madame Bovary" or "Wuth-ering Heights." Now comes a new shortcut: notes from college lec-ture classes, which students can purchase from an off-camous entrepreneur if they cut a class. Taking notes for others is, of course, economically viable only for large classes with hundreds of students. Some professors condone the practice and even collect royalties

copies.

Criteria for the poetry are simpla. They must be less than 16 lines and upbeat - nothing deon sales of their lectures, but most condemn it. The University of Florida spent \$100,000 in legal fees trying to stop sales of its professors notes, but a federal Some poems invoke an image which, if unintended, is perfect for the subway. Robert Frost's "The Armful" describes a scene jury rejected its arguments. The university is considering an apfamiliar to any commuter: "For every parcel I stoop down to seize

ivan the gurilla is expected to move from isolation in a department store window near Seattle to the Atlanta 200, which has 10 go-rillas. The African lowland goril-la, captured in the Congo in 1964,

cades on display for shoppers. | his wife think of this? "She thinks But the store has gone bankrupt, and after years of effort, animal rights activists have obtained the court-appointed trustees' lentative permission to relocate Ivan where he can find other gorilla friends and perhaps even a mate.

Whenever Thomas B. Shick spends a dollar, it's not a dollar bill but the Susan B. Anthony dollar, which never won acceptance with the general public. People say the coin, first minted in 1979 in honor of the 19th century women's suffrage crusader. looks too much like a quarter. The government has stopped issuing it, and still has 500 million in storage. Mr. Shick, 58, a Woodhridge, Virginia, mechanic, said. "Ninety percent of my cash transactions are done with Susan B. Anthony coins. I do it mainly to watch the reaction of people when

I'm nuts."

In his newly published "The Book of Guys," Garrison Keillor, the radio personality and satirist, remarks that "girls had it better from the beginning. They were allowed in play in the house, where the books were and the adults, and boys were sent outdoors like livestock. . . . Boys ran around in the yard with toy guns going kksshh-kksshh, fighting wars for made-up reasons and arguing about who was dead, while girls stayed inside and played with dolls, creating complex family groups and learning to solve problems through negotiation and role-playing. Which gender is better equipped, on the whole, to live an adult life, would you

Arthur Highee

## Samuel Stayman, Creator of Bridge Convention. Dies

New York Times Service NEW YORK - Samuel M. Stayman, 84, known in bridge players throughout the world because of the Stayman Convention, a form of inquiry in bidding, died of cancer Saturday in Palm Beach, Flori-

Mr. Stayman was best known for the Stayman Convention, a twoclub bid in response to one notrump to ask for a major suit, which is used almost universally.

Building oo suggestions by his partner, George Rapee, and others, he published the first article on the convention in 1945, and developed the idea in further articles and

Today there are a host of Stayman offshoots.

# Argentines Bare Vast Nazi Web in Just-Opened Files

By Nathaniel C. Nash New York Times Service

BUENOS AIRES - Two years after President Carlos Saul Menem announced that he would open Argentina's "Nazi files," investigators here say they have found more than 1,000 names of suspected Nazi war criminals and collaborators who fled to Argentina after World War II - a number that is many times more than previously documented.

And the investigators say the hundreds of thousands of pages of documents they have studied in the last eight months show not only the government's policy of welcoming Nazi war criminals, but also its efforts to impede the search for and prosecution of

them by other governments.

Before the latest documents were disclosed, those tracing the movements of Nazi war criminals had credible evidence of no more than several dozen who entered Argentina, including Adolf Eichmann, the architect of the Nazi campaign to kill the Jews of Europe, who was kidnapped by the Israelis in 1960 and hanged in 1962, and Josef Mengele, the "doctor of death" at Auschwitz, who was determined to have drowned in Brazil in 1979.

We have probably gathered one of the most exhaustive archives documenting the movement of Nazis
after the war that exists, certainly the most exhaustive in Argentina, never to be found again. But very few are

in Latin America," said Beatriz Gurevich-Rubel. director of research project.

"When we started, everyone said we wouldn't find anything," she said. "They said the files had either been sanitized or destroyed by neglect. We found so much more than they ever imagined."

The project is being sponsored by Argentina's umbrella Jewish organization, the Delegation of Israelite-Argentine Associations, through its foundation; the World Jewish Congress; and the private Fundacion Banco Mayo.

Of the more than 1,000 names of suspected war criminals that researchers have compiled, they have prepared dossiers on 230 of them to be sent to Yad Vashem, the Holocaust research center and museum in Jerusalem, for further study on what role they might have played in the the war. The researchers say they have accumulated so many files from the Argentine

archives that within six months they will have hundreds more names. Most of the names the researchers have come up with, they say, are new to the world of Nazi-hunters and represent scores of lesser known officials, most of

whom were in their 40s and 50s at the time. Some, for example, were sentenced to death by

believed to be still alive. The research project is not intending to search for them, though it will make its false name using a International Red Cross passport, intending to search for them, though it will make its archives available to those seeking to investigate indi-

The documents show, for example, that Ante Pavelic, the leader of the pro-Nazi government that ruled Croatia from 1941 to 1945, entered Argentina after with war with eight Croatian aides and later was suspected of forming gangs of thugs in the waring days of the government of General Juan Domingo Peron, the leading figure in postwar Argentine

But not previously known was the entry of Pavelic associates accused of war crimes: Berkovic Jose, Eter-ovic Mirko, Bogdan Ivo, Nikolic Vinko, Uvanovic Daniel, Colak Marko, Lackovic Esteban, and Yovovich N. Yakoh.

The United States warned Argentina in September 1946 that as many as 200 Nazi agents were planning to come here under false identities, including Charles Lesca Sarralegui, a French journalist who collaborated with the Nazis.

The documents also reveal new details about some of the more notorious Nazis who came to Argentina. They show that in 1958 Mr. Mengele, the doctor at Auschwitz, petitioned Goethe University in Frankfurt to restore his medical degree, which had been stripped

but soon began using his real name. According to the documents, his whereabouts were known in detail to American authorities, who were repeatedly stymied by Argentine officials in apprehending him.
There was a kind of silent conspiracy not to cap-

ture the war criminals that continued for years," said. Ruben Ezra Beraja, president of the Jewish organization. The request to arrest Mengele was made in 1957, and the order for his arrest was not made until 1961, four years later."

There are also new details about the search for Martin Bormann, Hitler's deputy, whose remains were believed to have been found in the rubble of Berlin but who is also speculated to have escaped and found refuge. According to the archive, American officials had reports that Mr. Bormann was living in northern Argentina, but the reports were never followed up by the Argentine police.

The research project hopes to go beyond finding documentation on war criminals, said Mrs. Gurevich-Rubel, the research director. Its broader aim is trying to explain why Argentina became so receptive to the ideals of Nazi nationalism before and during most of the war, and was then so willing to receive ficeing war

# U.S. Is About to Allow Bidding in Vietnam

Compiled by Our Staff Fram Dispatches HANOI - American companies can soon begin bidding on nearly \$600 million worth of proposed development projects in Vietnam financed by interna-tional institutions, U.S. officials said Tuesday.

It will be the first time American companies do business in . Vietnam since the country fell to North Vietnam on April 30, 1975, when the U.S. Embassy closed and a trade embargo was imposed.

imposed.

"It's a step forward and an opportunity for companies that have goods and services required under those loans," said Frank Rawke, vice president and Indochina manager for Citibert which has a recovery. Citibank, which has a representative office in Hanoi.

President Bill Clinton announced Sept. 13 that he was easing the embargo to allow such bids, but his order is not yet in effect."

Kenneth M. Quinn, deputy assistant secretary of state for East Asian and Pacific affairs, said that the Treasury Department had drafted the regulations, and "I think they are likely to be put into effect this week

or next. Mr. Quinn was in Hanoi accompanying Assistant Secre-tary of State Winston Lord, who was urged by Foreign Min-

ister Nguyen Manh Cam to speed up normalization.

'As Secretary of State Warren Christopher said, between Vietnam and the United States there is no more war," Mr. Cam said. "We need to promote relations to a new stage of develop-

this week to review progress in the key issue for the United States — determining the fate of more than 2,000 U.S. servicemen listed as missing in action in Indochina, 1,648 of them in-

There has never been evidence uncovered of someone-being held alive," Mr. Lord said after talks with Vietnamese of-

Under the embergo, American companies have not been permitted to do business in Vietnam, but they were allowed to open representative offices to analyze the market and build in contacts for the time when up contacts for the time when the sanctions were lifted

At stake are three loans either approved or in the process of approved by the World Bank for \$330 million for road improvements; primary education and agriculture.

Also open to U.S. bidding will be three learn from the Asian Development Bank amounting to \$260 million.

(AP, AFP, Renters)

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# FBI's Neo-Nazi Investigation Targets 'Farm Belt Führer' of Nebraska

Compiled by Our Staff From Dispatches

WIESBADEN, Germany - Louis J. Freeh, the FBI director, confirmed Tuesday that he was launching an investigation of American extremists who help German neo-Nazis, something German officials have long

Mr. Freeh would not disclose details. Gary Lauck, a Nehraskan extremist known as the Farm Belt Führer." is the most important supplier of leaflets, posters, and newspapers to neo-Nazis in Germany, where publishing the hate material is illegal.

German security authorities have been complaining documenting collusion to about Mr. Lauck, who is out of their reach because his and German neo-Nazis.

printing operation in the United States is protected by the First Amendment.

Mr. Lauck is not the only American link with German extremists. German news reports say the Ku Klux Klan is drawing a growing number of sympathizers among

German neo-Nazis. German authorities have been trying to crack down on extremists, who have killed 30 people over the past

Mr. Freeh said German authorities gave him reports documenting collusion between American extremists

minority groups here in Germany." In a racism case involving Americans, two German

U.S. tobogganer, Duncan Kennedy.

more threatened in Russia than they were in Germany. The rightist vote amounted to "a new dimension to Hein-Jürgen Nebel, state prosecutor in the East right-wing radicalism in Europe" and came as anti-German town of Meiningen, said that a 16-year-old Semitism was also on the rise, he said.

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He met Tuesday with Hans-Ludwig Zachert, president of the Federal Criminal Office in Wiesbaden. The FBI director said that he and Mr. Zachert discussed "cases involving hate crime and extremist rightist activity in the United States directed against

skinheads who led an attack on U.S. luge team members at a training center last month were charged by prosecutors Tuesday with causing grievous bodily

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Key developments: There have been eight defined exceptions dealing with specific trade sectors. Signed (MC.
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## FRANCE: A 'Great and Beautiful' Cultural Victory

Balladur has purely and simply be-

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trayed the interests of France, Former President Valery Giscard d'Estaing, whose Union for French Democracy party forms part of the coalition government, also seemed reluctant to give too much credit to Mr. Balladur, France has obtained some positive results," he said, "but it hasn't achieved all the aims it had set

Mr. Giscard d'Estaing's reticence, however, had as much to do with domestic politics as it had with foreign trade. The former president harbors ambitions to be the conservative standard-bearer in the 1995 presidential elections and, at present at least, polls show that Mr. Balladur is the strong front-

mnner. dur on GATT also poses a problem to Jacques Chirac, the leader of his

has been increasingly overshad- Hollywood juggernant to crush owed by the soft-spoken man he French culture. nominated to become prime minis-

The opposition Socialist Party. on the other hand, has predictably criticized the draft GATT accord, claiming that it would have been firmer had it still been in power. At the same time, Socialist leaders are hoping to harvest support among to the charge."

On the dispute over audiovisual trade, however, even Jack Lang, who served as culture minister in

tory for art and artists over the commercialization of culture."

In the negotiations with the "cultural exception," arguing that party, Rally for the Republic. Mr. Chirac also has presidential hopes, but since March he pean television would enable the party, Rally for the Republic. Mr. Chirac also has presidential hopes, but since March he pean television would enable the pean television wo

But France's foreign minister, Alain Juppe, warned that the issue was not closed, with Washington likely to seek alternative ways of liberalizing andiovisual trade, "We won satisfaction today, but we will have to be vigilant tomorrow," he said. "The United States will return Jean-Jacques Beineix, a French

sault, but they will."

But France's new culture minister, Jacques Toubon, who had warned that French culture was at climination of subsidies to the Enropean Community time to de-French movie industry and quotas on American films shown on Euro-diovisual industry representative of

Heavy Fighting in Sarajevo

### pickup trucks before removing the cover. dead from the sidewalks. "This shelling brings no gain in the military sense," said the com-mander of the UN military force in Another four people died when a shell exploded outside the front Protesters Go gate of the barracks of the Egyptian battalion attached to the United Bosnia, General Francis Brique-

By Chuck Sudetic

New York Times Service SARAJEVO, Bosnia-Herzegovina - Intense firefights in central Sarajeve and heavy random shelling and sniping throughout the city Tuesday by Serbian gunners left at least 12 civilians dead and more than 20 wounded, hospital officials.

and news reports said.

The clashes were the ficrcest in weeks, with Bosnian Army and Serbian militias trading fire with artillery, automatic rifles and rocketpropelled granades.
Fighting here has escalated since

last week when the Bosnian Army mounted assaults on the Serb-held mounted assauts on the serb-held Grbavica neighborhood, reported-ly seizing part of one building. United Nations officials said, however, that they had observed no

significant shift in the confrontation line, which winds along the left bank of the Miljacka River and has remained mostly unchanged since soon after the Serbs began besieg-

ing the city 20 months ago.
Tuesday's random shelling of civilian-populated areas of Sarajevo was also the deadliest in weeks, with dozens of mortar, howitzer, tank and anti-aircraft shells falling throughout the city in the early

Shelling Kills 12 Civilians, Airport Is Closed

Nations military contingent here. And Serbian mortar shells fell on the grounds of the city's main bospital and hit one of the buildings, said Western journalists who wit-

nessed the attack Bosnian Army and Serbian forces exchanged fire near the Holiday Inn with machine guns as snipers shot at vehicles plying the city's main thoroughfare and sent city workmen repairing trolley lines for cover. Sporadic scrambling for cover. Sporadic gunfire continued deep into the

night.
United Nations officials closed the city's airport after mortar shells landed within its perimeter, a UN spokesman said.

I've airport has been the scene of heavy samper fire since early last week, but UN officials kept the humanitarian airlift into the city going despite gunshot damage to several aircraft.

city's main hospital said most of the dead were women. Passers-by loaded the wounded into cars and warned residents to remain under

mont, after meeting with Bosnian

"I've asked myself many times why it is that the city is shelled," the general said.

Bosnia's prime minister, Haris Silajdzic, said the shelling would not ease the Bosnian government's opposition to a Serb- and Croat-sponsored peace plan that would provide for the division of Bosnia into separate Serbian, Croatian and Muslim states.

"Two years of experience have shown that we will not be softened up in this way," he said, criticizing the United States and other Westem countries for empty threats to destroy the Serbian artillery that bombards the city from the mountains above it.

UN officials Tuesday morning announced that they had promised to deliver the Bosnian Serbs fuel in throughout the city in the early several aircraft.

A Bosmian Army official told Satisfaction on busy streets rajevo radio Tuesday night that the killed eight people. A doctor at the Serbs were redeploying troops,

# A Shot in the Export Arm for a Dynamic Pacific

By Michael Richardson International Herald Tribune

SINGAPORE - Asia-Pacific countries, whose rapid eccnomic growth is closely tied to trade, said Tuesday that the U.S.-EC accord should help sustain the region's dynamism into the next century.

Officials and analysts expressed confidence that the deal between the United States and the European Community. coupled with earlier agreements by Japan and South Korea to partly open their rice markets, would pave the way for a global pact on Wednesday to liberalize international trade in goods and services.

Such a pact, while it has a number of flaws, would cut tariff and nontariff barriers on all products by a third, said Alan Oxley, a former Australian government trade negotiator who is now a consultant in Melbourne.

This is important in the Asia-Pacific, where trade barriers are higher than among industrialized countries," be said. East Asian nations expressed relief because they had feared that failure to agree on a new set of rules for freer trade would have been a beavier blow for their export-

Most editorial commentary

backed Mr. Hosokawa's decision.

Korea's decision last week to open

The Koreans negotiated a longer

For all the rice-related turmoil,

He had to give up on his pleage

Instead, he hopes to extend the

But the Liberal Democrats, who

would probably lose influence un-

der the new system, will try to

Mr. Hosokawa also bas prom-

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period than Japan to phase in rice

Mr. Hosokawa is eager to change

the subject and move on 10 other

to approve a revamping of the po-

litical and election system by the

Diet session into next month to

its rice market.

end of this year.

block an extension.

imports.

own markets to imports.

"Seen from this part of the world, almost any compromise agreement between the U.S. and EC would have been welcome," said Hadi Soesastro, an economist who is executive director of the Center for Strategic and International Studies in Jakarta.

The U.S.-EC impasse was the main barrier bolding up conclusion of a global trade treaty under the auspices of GATT, the General Agreement on Tariffs and Trade.

Under the treaty, trade in agriculture and in textiles and parments is to be brought progressively within GATT rules. Trade in these sectors accounts for about 20 percent of world trade, and Asia-Pacific countries are expected to be major

"Most of the the things that are of interest to Indonesia and other East Asian countries have already been agreed." Mr. Hadi said. "Having a stronger and more comprehensive GATT will create a more predictable environment for market access."

That would make it more difficult for the United States

oriented economies than the pain of further opening their and other big countries to resort to unilateral measures against their trading partners, he added.

Voicing a common concern of East Asia, Lee Kuan Yew, Singapore's senior minister, said in Tokyo recently that if the Uruguay Round failed, Japan would "catch a cold" but Singapore would get "double pneumonia."

Singapore's external trade is three and a half times the size of its gross domestic product. While this is the heaviest trade dependence in the region, almost all other East Asian countries rely to a considerable degree on trade to sustain rapid

economic growth. Compared with other areas of the world, East Asia will "reap the most spectacular gains in terms of expanded trade opportunities and enhanced protection against arbitrary ontariff barriers imposed by industrial countries," said

Ajay Kapur, regional economist at Peregrine Brokerage Ltd. A recent World Bank study concluded that if the United States, EC and Japan cut trade barriers by half on imports, year with East Asia capturing 54 percent, or just over \$27 billion.

## Hosokawa Is Facing GATT: Fights Shelved, Deal Is Set **Revolt Over Rice**

By T. R. Reid

Washington Post Service backed Mr. Hosokawa's decision TOKYO—Prime Minister Mor- which reversed decades of agriculihiro Hosokawa battled Tuesday to tural policy.
There was criticism, bowever keep his coalition government to-based on a comparison with South sion to end Japan's ban on rice

With the current session of Japan's Diet, or parliament, sched-uled to end Wednesday, the opposition Liberal Democratic Party was considering some form of noconfidence motion which would be used to challenge Mr. Hosokawa.

The risk for the Liberal Democrats was that a no-confidence motion might succeed because of anger in the Diet about the rice decision.

That would force a general election, which the Liberal Democrats give him time to pass the reform bill. probably could not win.

Accordingly, the Liberal Demo-cratic leadership was reportedly leaning toward a limited, modified no-confidence motion.

It would target not Mr. Ho-sokawa and his government, but rather two cabinet ministers who would be made scapegoats for opening the rice market. This option is known here as the "Double Hata," because it would be aimed at Foreign Minister Tsu-

tomu Hata and Agriculture Minister Eijiro Hata. It would give the Liberal Democrats a chance to punish Mr. Ho-

response to traumatic political events in Japan. Polls show that most Japanese voters agree that Mr. Hosokawa

had to accept rice imports as part agreement would at least give the of the deal for the General Agreement on Tariffs and Trade. But the minority who oppose the

> and they made that clear Tuesday. A small but bitter band of farmers demonstrated in the rain outside the Diet building. Among other incongruities, the farmers,

traditionally strong conservatives, cheered for Communist Party leaders who condemned Mr. Hosokawa. Meanwhile, some members of

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LONDON — Three anti-fur protesters shocked Christ-

ners.
"We'd rather go naked than wear fur," read the banners wrapped around the two American women and a Brit-

point - that it is better to be naked than kill animals for fur," said Anthony Jeffries, 28.



Prime Minister Hosokawa at a news conference on Tuesday.

package intended to bolster Japan's ailing economy.

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could derail the agreement at this

The agreement to drop the movie industry from the package left the American side with a public-relations defeat, vielding on an issue they had elevated to the highest importance, but it was not likely to have any immediate business im- ing every tool at our disposal." nlications.

main points sought by Mr. Kantor: a guarantee that current EC restrictions on non-European television programming not be extended to already controls nearly 80 percent budding technologies such as satelbte and pay-per-view telecasting. and the right of American actors and producers to share in an estimated \$100 million a year in royalty payments raised by European taxes on blank audio tapes and videocassettes, from whieb they are currently excluded.

Mr. Kantor said no deal was better than that offer. "We are not

tions of another French victory, he replied: "They didn't win. In fact, the French people lost. They are going to be denied the right to their freedom of choice."

Mr. Kanior also threatened U.S. action against European film and television policies in the future. saying Washington would be "us-

But Hugo Paemen, the chief EC The European negotiators of-negotiator in Geneva, shrugged off fered only to talk further on the two the threat. He said it would be negotiator in Geneva, shrugged off "difficult" for the United States to prove injury, a necessary basis for trade retaliation, when Hollywood

> One senior trade official said the real result was a draw; "Nobody wins, nobody loses. We live to fight another day.

On aircrast, the two sides also fought to a draw. They agreed to keep in force their 1992 bilateral pact setting out limits for subsidies to large aircraft makers while trygoing to stand for those kind of ing to negotiate over the next year a

### film director who joined the battle sokawa and his tice policy, but for "cultural exception," used a would probably not lead to the fall similar metaphor. "The enemy of the government. of the government. If "Double Hata" passed, the the former Socialist government, troops are sticking to their posi-tions," be said. They have not sounded pleased. two ministers would have to resign "It's not a victory of one country over another," he said. "It's a-vicbeen able to launch their final asfrom the cabinet, the traditiona If you enjoy reading the IHT

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the Socialist Party, the largest single party in Mr. Hosokawa's coalition, were talking about quitting their party, and the coalition, to protest the rice move.

# MOVING

mas shoppers in a busy Lon-don street on Tuesday by wearing only briefs and ban-

ish man. They are supporters of People for the Ethical Treatment of Animals, a U.S.based group that opened an office in London this month.

About 40 police officers quickly arrested them and stopped them from marching on Regent Street.
"I think we have made our

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# SQUADS: U.S. Officers Trained Civilians Linked to Salvador Rightists

Confinued from Page 1 tions-sponsored investigation of human-rights abuses in El Salvador as the mastermind of the nation's death squads. Mr. d'Aubuisson died of cancer in 1992. Another U.S. memo, written by a

not the types to compose death squads (fund them, yes, but get blood on their own hands — certainly not)." The documents are among some 12,000 government papers on U.S. policy in Central America that were declassified and made available to the public this year. They were found by researchers from the National Security Archive, a private foundation that works for the

documents, and the Center for In-ternational Policy, a Washington research group headed by Robert

Mr. White served as ambassador to El Salvador 1980-81 and later criticized the Reagan administration's support for the Salvadoran Defense Department official, argovernment in the face of many gued that the Patriotic Ones "are reports of human-rights abuses by the government in its war against leftist guerrillas.

Those documents and a UN investigation showed that the Salva- of the Salvadoran armed forces doran Army and security forces killed six Jesuit priests in the capitate activities, including the killing of a decade of U.S. training had inhundreds of civilians during the creased the Salvadoran soldiers 1980-92 war. U.S. military person- professionalism, decreased their innel worked closely with the Salva volvement in human-rights abuses hearings on his nomination to be doran armed forces, providing or helped bring stability to El Salambassador to Panama, State Dedeclassification of government training equipment and advice.

But none of the \$6 billion in U.S. military and economic aid received by the Salvadoran government during the war years was earmarked for military training for civilians. The worst of the death-squad abuses occurred in the early 1980s,

and were thought to have been long past in 1989, when the Berlin Wall fell, the threat of communism receded and the Bush administration embraced regional peace negotiations in Central America. But in November 1989, members

It was in this context that the question of continuing to train the Patriots, who had organized only gram continued is repugnant. Members of Congress and Clin-

U.S. military officers were at crosspurposes with U.S. diplomats in El the State Department pending

partment officials said.

that year, was addressed. Mr. White, the former ambassador, said, "The idea that subsequent to the Jesuit murders this kind of pro-

ton administration officials at the

Pentagon and the State Depart-

ment said the fact that the training

of the Patriots continued after the

killings of the Jesuits suggested that

Salvador during the Bush adminis-Mr. Walker is now assigned to

# Russians Rebuff Reform

## But Yeltsin Has Powers

Russia's parliamentary elections on Sunday, which produced a large vote for ultra-nationalists and hard-line Communists, rep-resent a rebuff both to economic reform and to warm relations with America. But they need not be a calamity.

The passage of a new constitution gives President Boris Yeltsin new powers, and his allies will occupy ministerial posts. Still, Mr. Yeltsin and his fellow reformers will face a parliament at least as unruly as the one he forcibly dissolved this fall. The current political mood is likely to limit the pace of reform. And the resurgence of anti-Western nationalists and the Communists is chastening.

But Mr. Yeltsin and his allies can still outflank the extremists, and while Washington must honor the outcome, it must also do what it can to encourage markers and demo-

cracy over the long haul.

Pro-Yeltsin reformers ran second to the Liberal Democratic Party of Vladimir Zhirinovsky, who is neither a liberal nor a democrat hut a demagogue who preaches contempt for ethnic minorities and urges the restoration of Russia's empire. The Communist Party, which opposes privatization. also displayed strength.

But the party slates will fill only half the sears in the Duma, the lower house of partiament. About a third of these are extremists. hy latest count. The hig winners may thus prove to be regional politicians elected individually in local districts. Although their learnings will

ally wean large enterprises and the central bank from their easy money policies and keep inflation from wrecking reform. Mr. Yeltsin's constitution received solid support, although low voter turnout makes the result less than a ringing endorsement. That is likely to invigorate parliamentary challenges to

become clear only when the legislature meets

in January, many of them are likely to support

reform if, in exchange, they can win local

Adroit maneuvering could thus produce a

working coalition of reformers and regional

leaders. That coalition would be strong

enough to press on with privatization, but not

strong enough to risk Polish-style shock thera-

py. The hope is that the coalition could gradu-

concessions from President Yelisin.

in bringing the rule of law to Russia. The president's attempt to remain above the fray certainly shortened his coattails. That will require him to engage in more sustained politicking to muster support in parliament.

presidential powers. A truly independent judi-

ciary, not yet in place, could play a critical role

Given the desperate condition in which many Russians find themselves, given also their inexperience with democracy, it is not altogether surprising that extremists of both left and right did well. Yet it is important not to exaggerate the strength of the opposition. A new constitution is in place. Mr. Yeltsin is in place. And he has a chance to form a parliamentary majority. These are three solid reasons why Washington should do what it can to keep Russia on the road to reform.

## Unpredictable Future

It could have been worse, but in truth the results of the Russian elections can only be called bad news. At least the new constitution has now been voted into effect. Without it, the political chaos would be much more dangerous - particularly when you consider how the alignment of parties has turned out.

The leader of the misnamed Liberal Democratic Party, Vladimir Zhirinovsky, says that he is not a fascist. But he represents racial bigotry. a revival of military power and expansion of Russia's boundaries. The latest count of the ballots - which is still far from complete appears to put his party far ahead of the others. Next, but far behind, comes Russia's Choice, made up of the most committed supporters of President Boris Yeltsin and economic reform. They are closely followed by the old Communist Party and one of its allies, which between them got substantially more votes than Russia's

Choice, the Yeltsin party.

Will it be possible for anyone to govern effectively? It is obvious in retrospect that Mr. Yeltsin made a grave mistake in remaining aloof from the election campaign and refusing to give any leadership and help to his friends. The various denominations of reformers are badly split into competing factions, and a great deal now depends on their ability to pull themselves into a coalition strong enough to make decisions. There is speculation in Moscow that, to fend off Mr. Zhirinovsky and the far right, they may have to make common cause with their old enemies the Communists. That does not sound very promising for the economic

reforms that the country desperately needs. While the new constitution gives Mr. Yelt-

Eduardo Frei easily won Chile's presiden-

tial election on Saturday. His victory signals a

remarkable political change for Latin Ameri-

ca's economic pathbreaker.

For decades, Chilean politics was split into three hostile camps — Marxist left, conserva-

tive right and Christian center. After Salvador

Allende, a Marxist, was elected president in

1970, the country went into political and eco-

nomic meltdown. Desperate Christian Demo-crats and rightists hated Mr. Allende more

than they loved democracy, opening the door to General Augusto Pinochet's 1973 coup and

But recently a broad consensus, including

Mr. Frei's Christian Democrats, mainstream

Socialists and much of the post-Pinochet

right, has taken root. Free markets, democrat-

ic politics and special efforts to help the poor

A decade ago Chile hecame Latin Ameri-

ca's economic pioneer, shedding hureaucra-

cy and state ownership to achieve low infla-

tion and export-driven growth. Even com-

mitted democrats concede some credit to

General Pinochet, After early economic stum-

the 16-year dictatorship that followed.

constitute its shared faith.

Consensus in Chile

- THE NEW YORK TIMES. sin more power than the previous one, it does not allow him to ride roughshod over the parliament, If, six months from now, he is hack to ruling by decree and threatening par-liament with dissolution, he will not have advanced his cause - or democracy's. The

new parliament, after all, has been chosen in a

free election and will have a legitimacy far

beyond anything ever earned by its predeces-

sor, chosen under Soviet rules. The hig vote for the far right and the Com-munists was clearly driven by a widespread sense of loss—loss of status, loss of security. loss of empire - that translates into resentment of reform and the reformers. People sometimes talk as though change were an option that Russia could accept or reject. In fact, if the economy were healthy and bad not stopped growing perhaps 15 years ago, the Soviet Union would never have collapsed. If a powerful reactionary political movement now begins blocking the essential remedies, the

frustration and decline can only deepen. Mr. Zhirinovsky's new prominence will inevitably increase the anxieties of all of Russia's neighbors, for he has talked grandly of a Greater Russia pushed out to the borders of the old Soviet Union. With that, the quarrels over the status of the Russian minorities in the Baltic countries will become sharper. The Ukrainians will cling more tightly than ever

to their nuclear weapons. This election was immensely important because, above all, it was genuinely democratic - more so than any in Russia's experi-ence. But it has left Russia facing a turbulent political future that is, more than ever, totally unpredictable.

hles, he offered his full support to reform.

Other observers, less scrupulous about de-mocracy, say that Chile's economic miracle

required a dictator tough enough to bulldoze

opponents. Maybe. But Argenuna achieved

comparable reforms without sacrificing de-

Once Chile's economic reforms succeeded,

all its major democratic parties embraced them.

Since 1990 an elected center-left government

led by President Patricio Aylwin, a Christian

Democrat, has deepened that reform, reduced

to get rid of constitutional deformities like

nonelected Senate seats and an army com-

mander not accountable to elected officials.

Internationally, Chile will join the Asia-Pacif-

ic Economic Cooperation forum next year and will seek admission to the North Ameri-

further NAFTA dehate. Yet Chile, now Latin

America's premier economic and political

success story, will present a powerful case.

The Clinton administration may be wary of

-THE YEU YORK TIMES.

Mr. Frei's main domesuc challenge will he

mocracy or human rights.

poverty and won broad support.

can Free Trade Agreement as well.

- THE WASHINGTON POST.

# Yeltsin Needs a Renewed Mandate Soon

C AMBRIDGE. Massachusetts — The dismaying success of the neofascists in the parliamentary elections not only threatens Boris Yeltsin's presidency, it calls into question Russia's commitment to democracy and to the

international order. Consider: The neofascists' leader, Vladimir Zhirinovsky, has called for "ethnic cleansing" and the re-creation of the czarist empire. including Poland and Finland. Once he even demanded the return of Alaska.

His book "The Last Push to the South" recalls Hitler's "Mein Kampf" and the Nazis' "Push to the East," as Adrian Karatnycky, executive direcfor of Freedom House, points out. It proposes the conquest of Afghanistan, Iran and Turkey in a march on the south in search of warm-water ports. So Mr. Yeltsin urgently needs to try to offset his foes' strength in the new parliament. He should seek to renew his mandate, and schedule a race for

that he has been steadily losing voter support.

If the trend continues, Mr. Zhirinovsky could defeat him -and use Mr. Yeltsin's new constitution, which creates a strong presidency, to carry out his reactionary policies. But Mr. Yeltsin is

president as soon as possible - perhaps as early as

March. This would be risky, because polls show

By Marshall I. Goldman

still Russia's best poblician. If be applied himself, he might well defeat all comers. A failure to face up to this challenge virtually

guarantees an ever deepening crisis. The longer he waits to seek re-election, the greater the likely stalemate between him and the new parliament and the more his popularity will dwindle. While that popularity helped him win the narrowest of margins for his constitution, it did

not head off the unholy alliance of Mr. Zhirinovsky's Liberal Democrats and the Communists, who came in third.

Many Russian Slavophiles have long opposed

close relations with the West; in the elections, they found a natural home in Mr. Zhirinovsky's platform. They were joined by Russians angry over the economic crisis and the social and poliucal collapse that have marked Mr. Yeltsin's tenure. They and the Communists can be counted upon to fight privatization and other fundamen-

(2) economic reforms imported from the West. This would mean a stalemate for the reform effort, a kind of replay of the huttle that led to Mr. Yeltsin's dissolution of parliament in Octo-

ber and the bloody failed coup. Many of the new lawmakers will do all they can to frustrate him. He was able to write off the old parliament as an arcbaic Communist-era body; he cannot

The Voters

Too, Have

**Bottom Lir** 

W ASHRIGTON — Xerox company whose name is onymous with photocopying, ha plicated the shortsighted policies

some other American corpora and announced that it will trit

work force, by about 10,000 job

The news brought a cheer. Wall Street, where the comp. shares jumped 9 percent. And praised the move for what it wi

for the company's bottom line.

said nothing about what it will (
the grim recipients of pink slips,
the American belief that profit

ters, but so do people.
Not anymore. The demise of a

munism has left the free enter

system triumphant — and a ; thing, too. But unchecked and un

trolled, the free enterprise system

attempt to live up to its Marxist

cature. In a way, this is what cer American corporations have doing. To fire workers when

don't absolutely need to - to

people as if they were machiner vindicates Marx. And economic

ory aside it stinks.
But the stench of greed not

goes unremarked and uncriticize Washington, where Democrats joined Republicans in fealty to t

who pay their campaign bills

applauded. American workers (

days can find few champions. Ra

the politician who is willing to "How dare you!" to those who i men and women as little more

obstacles to bigger profit. In the n of efficiency, people are cast asid. No one would argue for ineffic

cy. No corporate executive can af

to dismiss the stock market and

role of institutional investors, psion plans and the like. No one

ignore foreign competition and role of cheap labor. The world changed, and American husu

But in the last three months, in

U.S. corporations have annour

the elimination of about 88,000 j

usually not to make a profit, bu

These companies insist that the no question of fairness here, they

only doing what they have to do.

fairness is not entirely a quaint to

without application in economic happens to be at the core of

American value system. In plain

guage, fairness means that when

go to work for a company and c

good job you expect that compan look out for you. You expect, in o words, not to get canned unless company has no other choice,

Xerox has a choice. Last year earned \$600 million. Since reclaim

and ultimately perhaps performa

worry much about the long run. !

must change with it.

make a bigger one.

By Richard Cohen

write off the new one.

For now, Mr. Yeltsin has to return to the basics to improve the day-to-day life of the people. The public wants an increase in cheap consumer goods. He should continue carrying out land reform (especially doubling the size of peasants' garden plots) and privatizing state en-

terprises and encouraging entrepreneurs.

The political stalemate, particularly the preOctober paralysis, was bad enough. The new
situation can spin out of control unless Mr.

Yeltsin takes extraordinary steps.

The last Soviet president, Mikhail Gorbachev, was forced out with several years left in his term. If Mr. Yeltsin insists on trying to serve out his term until June 1996 without an early election, he risks the same fate. :

The writer, professor of Russian economics at Welleslev College, is author of the forthcoming "In Search of an Economic System: Russia Without Communism." He contributed this comment to The New York Times.

# Neo-Nationalism Isn't Only a Russian Temptation

By E. J. Dionne Jr.

W ASHINGTON — Vladimir Zhirinovsky's inappropriate-ly named Liberal Democrats a hig vote in Russia's elections on Sunday. Many Russians are clearly unhappy with economic reform and Russia's loss of status in the world. Mr. Zhirinovsky offers a rather chilling solution. "Why should we inflict suffering upon ourselves? Let's make others suffer."

When you get right down to it, that is what all forms of extreme nationalism preach. Before condemning Russians for giving so many votes to an irrational extremist, consider that that these elections are part of a larger trend toward nationalism around the world.

Nationalism, albeit in a less viru-lent form, is rising right here in the United States, and those who would understand it should read an article in the forthcoming issue of The National Interest magazine by Alan Tonelson entitled "Beyond Left and Right." I have major disagreements with Mr. Tonelson, which I shall get to, but his piece is brilliant as a description of why the American foreign policy dehate seems so strange. Mr. Tonelson, research director for the Economic Strategy Institute. begins by discussing the odd new alignments over issues such as Bosnia. Somalia and Haiti. How, be

when Cold War doves want air strikes over Bosnia while hard-line anti-Communists oppose them? What is really happening, he says, is the collapse of the Cold Wer internationalist consensus and the rise of a new debate between inter-

asks, can one make sense of a time

nationalists and nationalists. The internationalists, he argues, continue to helieve that "inter-national activism itself is the key to

American security and prosperity" and that the United States will nevthat theirs is the more enlightened er know peace or prosperity "unless the rest of the world also becomes secure, peaceful, prosperous and democratic.

The nationalists believe "in a relatively passive strategy whose su-preme goal is consolidating American military and economic strength and enhancing America's freedom of action." Nationalists accept that large parts of the world will suffer

The best and the brightest tend to escape the worst consequences of these policies, from military service to unemployment."

from hrutal conflicts, but believe that the United States can prosper despite them and should thus mostly stay out of them.

In economics, internationalists believe in an ever more open trading system. Nationalists see the nationstate as "an economic player" and free traders as dangerously naive.

Mr. Tonelson's conclusion is that the nationalist-internationalist battle is opening up a large class gulf in American politics. Internationalists tend to be richer and well educated: nationalists, often labeled "isolationists." are less well-off and have iess formal education.

Typically, he says, international-ists conclude that this simply proves

view. An unapologetic nationalist, he takes a different view — "that the best and the brightest tend to escape the worst consequences of these policies, from military service to unemployment.

Attentiou must be paid to Mr. Tonelson's argument. Internationalists and free traders have lost the habit of arguing for their positions because for 40 years they didn't have to. Engagement was essential as long as the Soviet Union posed a threat, and free trade was obviously beneficial to the United States when it was the overwhelmingly dominant economic power. But neither condition applies anymore, and in-ternationalists will not carry the day simply hy asserting that theirs is the more "enlightened" view.

Mr. Topelson is also correct in perceiving a conflict of interest be-tween internationalist elites and many average wage earners. The global economy and its opportuni-ties really do look different to investment bankers and international lawyers than they do to garment workers or machinists, Something of the same split is visible in Russia. The problem with Mr. Tonelson's

view is that nationalism is not a solu-tion to the problems he describes, and the deepening of nationalist feel-ings will make a lot of them worse. To begin with, nationalism is, at best, silent on such crucial matters as human rights. Even nationalists have to admit that global instability can reach levels where the consequences become genuinely dangerous.

There are limits to economic na-

tionalism. Yes, the United States needs to take a tougher view of trade

issues now than when it sat on top of the world. But it does not always-win when say, Germany and Ia-"win" when say, Germany and Ja-pan "lose." As Business Week has reported, the current U.S. growth rate would be 3.8 percent instead of 2.9 percent but for the rising U.S. trade deficit. Their recession means that the Japanese and Europeans are buying less from America, costing a lot of American jobs.

Mr. Tonelson sometimes confuses the democratic impulse with the nationalist impulse. Democracy exists within nation-states, and as nations lose control over economic matters to the global market, democracy's writ is narrowed. Thus, many small-D democrats who worry about the effects of the global economy are defending the nation-state's preroga-tives not because they are nationalists but simply because that is the only way of asserting the right of average citizens to some influence on economic matters. It is an argument that free traders need to take far

more seriously — but it has almost nothing to do with nationalism. In fact, fighting the rise of "Let's make others suffer" nationalism is a political imperative for decent people in every country. Those who praise nationalism need to under-stand that, unchecked, it can lead to the frightful icrationality of the likes of Russia's Vladimir Zhirinovsky.

But internationalists should remember the lessons of the 1930s; that when the international political and economic system fails average people, they look almost anywhere - and especially to radical nationalism - for protection. Internationalism is a noble impulse, but citizens will judge it the way they judge al-most all political ideas; by results.

its birthright from the Japanese the photocopy business — it has be performing just fine. No doubt it now do a bit better, in the short ru least. But the long run is differ Employee loyalty is bound to sul The Washington Post.

# Violence on Screen: Desiring What Disgusts Us?

By Mario Cuomo

A LBANY. New York — Amen-ca's television screens are awash in blood. And we're starting to see that the electronic mayhem encourages even more real-life bloodshed in a society that already has at least as much as it can deal with, Americans — a significant number, anyway want to see something done about it. So it is no surprise that the idea of tough new governmental regulation is beginning to be spoken of seriously

in some of the most unlikely and usually clear-minded circles. But at this point. Americans should ask themselves: Do they really want a thought-police crackdown? Government censorship — and that is what it would be — would mean seizing an important part of Americans' freedom and delivering it to a government they already distrust: substituting the opinions of faceless and unaccountable bureauerats for their own judgments about

entertaining.
Even if America could muster a cadre of governmental Brahmins that the people would trust more than themselves, what rules would they apply in censoring radio and television - not to mention, eventually, the printed media? Would the televi-

what is valuable or interesting or

The writer is governor of New York. sion program "NYPD Blue" be acceptable because its violence seems to have a moral? How about Arnold Schwarzenegger? Or operas? Would artful violence be allowed, but poorly done violence banned? What about news programs that zoom in on the

gore and degradation of war? In the end, government regulation simply does not represent the least intrusive means to the end we all desire. The cure would be worse than

What choices are left? Maybe we should try a little self-regulation. Can't the rest of us work a little harder at living out the message that violent solutions diminish us as human beings." Can't we work harder at deliver-

ing more constructive messages?

Shouldn't we, especially the parents among us, be doing more to reject the violence and filth around us? Can't we keep our children from watching and being contaminated by the poisons of television the way we keep them from the bottles marked with a skull and crossbones? It would surely be part of the solution.

some kind of self-policing by the hroadcasters, a strategy supported. by a number of important voices in the industry. Warning labels are al-ready in effect, and "V-chips" that block prelabeled violent shows are being talked about.

All these ideas might help, but they will not be enough in the end. Americans function in a profit-driven, free enterprise system, a system that imposes on the broadcast industry an overriding pressure to pro-duce dividends for its shareholders - no matter what.

This suggests still another possibility. Perhaps the swiftest, most powerful way to improve the quality of radio and television — as well as movies and popular music and advertising - would be the purest kind of legitimate commercial persuasion. A real campaign by the consumers: We will not huy your action-adventure killer robots or your lemon-fresh soap or your cold-filtered beer if you keep purchasing garbage and pouring it into our living rooms!

A grand referendum. A coast-to-Another alternative would he coast cooperative campaign —led by Bill and Hillary Clinton — calisting every thoughtful American, embrac-ing every worried parent, to demand that we aim for a higher standard in what the cables and airwaves pump into our lives, in what we see at the movies or buy on a compact disc.

A campaign that includes young people and government officials and corporate executives and spiritual leaders. Such a campaign could help push the American people, through their own good instincts, to the kind of civility and sensibleness and feeling of community that has been lipsed hy the dark images coming from the television screens.

And if the campaign failed, it would nevertheless serve a purpose. It might prove that the executives of radio and cable and television are ont, after all, jamming sex and vio-lence and profanity down people's throats, but that Americans are choosing it from a menu called the program guide. That the truth is, the American people boost the ratings of the overheated made-for-TV movies about other people's adultery. That we're the ones with the appetite for endless re-enactments of the real, live blood and terror of police work.

If the country does indeed contain this extraordinary contradiction — this desire for what disgusts us, this disgust for what we desire - then maybe we Americans should admit it in ourselves. Admit that as a nation we were born in violence and we will live with it, and all our protestations

are mostly pretense.

That kind of look in the mirror on the morning after might shock us into a real commitment to change things. Los Angeles Times.

the price of the stock tomorrow t concerns it, and its values have t been adopted by corporate Amer A schoolyard mentality - the ch machismo of investors in expen: suits - is at work. Sissies care ab workers. Tough is venerated. It become a word to mask greed. The donnybrook over the No American Pree Trade Agreem

should have alerted American cor rate leaders to the fact that there rising anger within the Ameri-working class — blue- as well as wh collar. It has seen its earnings ero even as the incomes of paper shuff and number crunchers have grown obscene levels. (Each partner of Ge

obscene levels. (Each partner of Geman Sachs was recently awarder \$5 million Taris as bonus.).

Americans have begun to themselves an age-old question witt comes to efficiency. What's in it me? They asked that question ab NAFTA, but they raised it late a too clumsily. The answer anxie workers got came down to "tr me." Suddenly, corporate Amer cared about the long run. Eventual everyone would benefit.

Maybe, But unless the Clinton.

Maybe, But unless the Clintoo t ministration can learn bow to ja bone corporate America, unless it c get its dander up about workers bei treated like dirt, Perotism and I chananism - one loony, the oti dangerous - will exploit class ant: onism and make Bill Clinton's I miserable. Corporate America has bottom line, but so do the voters. the — yes! — short run, they a going to collide, and then Wall Str. and corporate America are going ask what happened. The answer that they got what they had comir The Washington Post.

## ر. وي أوقع من المراجع في المراجع IN OUR PAGES: 100, 75 AND 50 YEARS AGO

## 1893: Determined Duel

VIENNA — The environs of Vienna were the scene of a most determined duel, which ended in the death of one of the combatants, an officer. The weapons chosen in the first instance were swords, but though the officer was somewhat severely wounded, the result was not held by either party to be conclusive. A second meeting with pistols took place the following day. The aristocrat fired and struck the officer on the breast, killing him instantly. This sad event has cast a gloom over the whole community.

## 1918: Musical Mystique

COLOGNE - Cologne is accepting. British rule with good grace. There are no troops in the city save a few military police and the posts guard-ing the Rhine bridges, and the new order of things is being established without an imposing show of force such as marked the German occupation of Belgium and France. The re-

serve of the people has been brok with bagpipes. When the first So tish infantry entered the city last St day [Dec. 7] afternoon to take or the Rhine bridges, they lifted the habitants out of their forced cal and made them show a real curios and even a little mild excitement.

## 1943: Eden in Common LONDON - [From our New Yo

edition:] Great Britain, Russia, C

na and the United States brought completion at the Cairo and Teher conferences their several plans for t destruction of the Axis and grea streagthened the ties that bind the together for post-war collaboration ensure world peace. Foreign Sectary Anthony Eden told a crowd House of Commons today |Dec. | In a speech lasting nearly an hou in a speech lasting nearly an hor and acclaimed as perhaps the stro gest of his career, Eden gave Con mons the first public report on t historic conferences since the offic communiques were released.

# Russian Roulette With Space Shuttles

**Build on GATT's Momentum** 

It will be essential to build on the momentum created in the Uruguay Round, to encourage compliance with the agreement and to prevent new forms of protection. The dispute over antidumping rules may be an omen. The White House may simply need cosmetic changes to smooth the path of the Uruguay Round agree-ment through Congress. Or U.S. resistance to the proposed tightening of anti-dumping rules may point to an expanded use of anti-dumping

measures in the future. Unfortunately, the growth of anti-dumping actions as a form of disguised protection is a serious threat even under the proposed modified rules. That threat is just as real in Europe, where anti-dumping action has been used to harass the Japanese, as it is in the United States. But the extraordinary thing is that there almost certainly will be something on which to build. Protectionism. defeated in the battle over NAFTA, should now suffer an even more decisive defeat. - The Australian Financial Review (Sydney).



Other Comment

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By James Gleick

N EW YORK — There is a kind of self-deception familiar to gamblers everywhere. You make a rule for vourself ["I'm going to leave the roulette table when I'm down \$200"), and when the crucial moment comes you find a reason to break it ("I just remembered that red is my lucky color"t The late physicist Richard Fevn-

man caught the space agency at pre-cisely this game in 1986, when he served on the presidential commis-sion investigating the explosion of the space shuttle Challenger. He found that the National Aeronauties and Space Administration was setting safety standards and bending them at the last minute as needed.
"I read all of these [flight] reviews," he said that April, "and

they agonize whether they can go even though they had some blow-by in the seal or they had a cracked blade ... and they decide ves." He went on: "For the next flight we can lower our standards a little hit because we got away with it last time ... It is a kind of Russian

Seven years later, desperate as ever to keep the shuttle flying. NASA is bending the rules again. As William J. Broad reported this month in The New York Times, the shuttle's solid-fuel booster rockets

roulette.

have been creating erratic, uneven power thrusts that could tear the shuttle apart. Engineers calculated that a worst-case thrust would exceed the allowable safety margin. NASA's solution: to change its safety margin. This is the return of Feynman's Russian roulette.

As every honest scientist knows, an engineering standard has to be calculated with blind disregard for what happens to meet it. If you use the knowledge that a particular hazard will flunk the test as a reason to revise the test, you have poi-Early in the Challenger investiga-

tion. Mr. Feynman stunned a national television audience by dunking a piece of nubber from the booster-rocket's seals into a glass of ice water and demonstrating that it lost resiliency in the sort of cold temperatures that prevailed the morning of the launch. It was a simple demonstration that cut directly through jargon and obfusca-

tion to the heart of the matter. But Mr. Feynman's more profound contribution to our understanding of the disaster was even subtler: his independent investigation of how the space agency calculates risk. He ridiculed the agen-cy's estimates that the chances of disaster on each flight were about I in 100,000 - a number that its engineers knew was a product of wishful thinking and fraudulent NASA now more honestly esti-

mates the chance of a catastrophe ou any shuttle flight to be 1 in 78. That is not much less than the chance of dealing the queen of spades off the top of a deck of cards - a staggeringly high risk for a disaster that would cost billions of dollars and the lives of the crew. But where it matters most, Mr. Feynman's legacy has turned to dust. The agency launches shuttles anyway, bending its own rules.

This is surely the gambler's self-deception —the kind Mr. Feynman had in mind seven years ago when he wrote the prescription that NASA now appears to have dis-carded. "For a successful technology, reality must take precedence over public relations, for nature cannol be fouled."

The writer, author of "Genius: The Life and Science of Richard Feyn-man," is founder of the Pipeline, a public access link to the Internet computer network. He contributed this comment to The New York Times.



## OPINION

# Clinton Should Stay Clear of Assad

North Korea, Russian cargo planes delivered truck chassis to Syria. They are special chassis, used as mobile launchers for Scud missiles targeted at Israel. For months, the United States and

Israel have kept the transfer secret from their publics, It was too embarrassing, after all the warm talk from Washington and Jerusalem about bow the Russians. and Syrians would now help bring peace to the Mideast. On Sunday, the story was broken in The New York Times by

Michael R. Gordon.
The chassis are helpful to Syria but will not change the military picture in the Middle East. Next month, however, another special delivery can change the political picture to Syria's enormous advantage — the delivery from Washington of the president of the United States.

To coax Syria back to the negotiating table with Israel, the United States has agreed that President Bill Clinton will meet in Europe with Hafez Assad. Mr. Assad is the longtime president of Syria. He is also a longtime person-butcher the perpetrator of massacres that have killed thousands of his own people.

Under his rule, the arrest, torture and execution of dissidents has been made government policy, Lebanon was gobof Western, Arab and Israeli diplomats
bled up and colonized, and 10 Middle
East terrorist organizations are trained
for and carry out attacks against foreign

murder anybody at home worder to do targets - including American.

on the U.S. terrorist list. When President dent lends the dignity of his office to a George Rush visited with this man in 1992, Bill Clinton richly denounced ap-

By A. M. Rosenthal

peasement of Syria. So did Israelis. Now Yitzhak Rabin, Israel's current prime minister, believes that a Clinton-Assad meeting could persuade Syria to make a deal with Israel if the current Israeli mess with Yasser Arafat

is patched up. The Clinton administration cannot be more cantious about Middle East peace arrangements than Israel, when Mr. Rabin is willing to take the risks. So it may be expected to do everything it can to bring about the agreements — every-thing decent and within U.S. interests.

But by this time, the United States should have learned that it is neither decent nor within its interests to build up Middle East dictatorships in arms or political stature. In tran sun. United States found it was building up enemies, for terrorism or war.

There is no evidence that Mr. Assad pays off appeasement. He collects political, military or economic advantages in advance, banks them, and does exactly what he then decides best solidifies

his hold on power. The descris are littered with the bones voice against whatever he decides to do. For these actions and more, Syria is But what harm does it do if a presi-

U.S. planes to Syria despite the ban on such transfers to terrorist nations? Why, none at all, if you do not think

America has an interest in promoting democracy and fighting state terrorism. None, if you do not think Clintonian democratic idealism is corrupted to the point of mockery by sidling up to one of the more vicious tyrants.

None, if you feel, as do Mr. Rabin and some other American allies, that involving human rights in international deals is sentimental slop. And none if you feel that Syrian complicity in the downing of Pan Am 103 must be covered up.

Despite Western attempts to white-wash Syria, CIA specialists who were on the case from the beginning believe that Palestinian terrorists operating out of Syria planned painstakingly to bomb an American plane, and when their group was infiltrated banded the job over

to their Libyan friends.

As a candidate, Mr. Clinton promised the relatives of the Pan Am dead that he would not accept a cover-up but would answer all their questions about Syrian and Iranian involvement.

He has not. It is a bit late now for credibility, isn't it? You don't first chat

with a mass murderer for your own purposes and then announce that be was innocent all along.

It is not too late to call off the visit with this evil man. Mr. Clinton does not belong with him. If peace is possible between Syria and Israel, it will not be

brought a day sooner by allowing the demeaning of the American presidency. The New York Times.



You know what? I kind of miss the discussions about NAFTA.

## LETTERS TO THE EDITOR

## African Ombudsman

Regarding "A Homeland That Won't Go Quietly" (Nov. 29):

Bill Keller writes that President Lucas Mangope is "the first and only president" in the 16 years of Bophuthatswana's independence, as if this were different from the rest of Africa. But this reflects the experience of the majority of countries on the continent. And President Mangope at least bucks the Africantrend by insisting on open elections.

President Mangope also installed the first ombudsman in black Africa (which often rules against the establishment, as indeed it should); the law courts are renowned for being independent (again, roling against the government and others in privileged posi-tions); and economic growth has been virtually unparalleled in Africa.

ANTHONY McCALL-JUDSON. Bophuthatswana National Commercial Corporation. London.

Aftermath in Cyprus

Regarding "Why Turkey Invaded" (Letters, Nov. 26): Eskil Svane is correct in his explana-

tion of "why Turkey invaded Cyprus" in July 1974. As he stated, the failed coup by the Greek junta was "not only contrary to international law but to the specific agreements and treaties that guaranteed the independence of the island state."

It is also true that Turkey was one of the guarantor powers, along with Britain and Greece. Lastly, it is true that President Makarios was obliged to flee.

Mr. Syane claims that the Turkish invasion was "to prevent the forced annexation of Cyprus by Greece and to protect the Turkish Cypriots." But the coup failed so quickly that even if the Greek junta had had the intention of annexing Cyprus, there was no time to do it. The Turkish Cypriots were never in danger. There were no casualties during the few days the coup lasted,

The Turkish government claimed at the time that the invasion was "to re-store constitutional order." Archbishop Makarios returned to Cyprus immediately after the coup failed. Thus, constitutional order was immediately restored with his return.

But Turkish occupation forces are still there 19 years later. They have expelled 200,000 Greek Cypriots from the Turkish-occupied area in northern Cyprus,

confiscating their property and settling about 100,000 mainland Turks there. T. L. CHRYSANTHOPOULOS.

## The Source of Natural Law

Regarding "From Calvin and Hobbes to the Pope, Laws Written on Our Hearts" (Opinion, Nov. 27) by James Q. Wilson:

If people need to make up stories about God creating a "natural" law, then that is a reflection of their own moral vacuity, Ethical behavior is a mat-ter of the individual intellect, regardless of one's religious upbringing.

The alleged current lack of "values"

results from an alarming lack of intellectual development in our youth. The pope's encyclical serves its purpose well, provided that people don't take it too seriously, and continue to use their own brains to make sense out of the world. D. HUNT.

## Before the Raj

Regarding "Fuzz and Wuzz, and Out of Control" (Language, Nov. 22):

William Safire writes that Sir Charles James Napier, the British general, took

Sind in 1843 — "some say without imperial orders" - giving a double meaning to his play on words in using the Latin peccavi (I have sinned).

In fact, there were no imperial orders in India until after the Sepoy mutiny of 1857-1858, when the British Raj was established - that is, when direct control by the British government supplanted the East India Company. Mr. Salire owes us a peccavi

P. C. HOLZBERGER. Logrian. France.

## Ups and Downs of Modems

order price is about \$50!
The problem is not limited to comput-

er hardware and software. Imported sci-

to three times the U.S. price. In Germa-

If U.S. companies wish to enlarge

ny it is about twice the U.S. price.

"Interference in internal affairs," as it is usually framed, is a clever way dictators throughout the world and especially in Africa interpret (or misinterpret) the Regarding "Why It's Hard to Buy Software in Europe" (Business/ Finance, Dec. 4) by Mitchell Martin: United Nations Charter to keep at bay attempts by democratic leaders to end

The Dictators' Ploy

various buman rights abuses carried out The article mentions the outrageous in the dictators' countries. price for modems in Europe. In France, a 2400/9600 modem/fax card sells for World leaders should note that they have every right to monitor and to interabout 5,000 francs, and may be easily fere in any country should this be necesdiscounted to 3,000 francs — roughly \$500. In the United States the mail-

sary to save the lives of innocent people suffering under repressive regimes. Dictators should not be given any latitude to prevent such fair-minded intervention. Each of us should be his entific equipment sells in France for up

their exports to Europe, they will bave to

set limits on the markup imposed by

their representatives. Value-added tax

and customs represent an addition of

about 25 percent to the U.S. prices. They

do not justify the huge price differences

GIANNI ASCARELLI.

Meylan, France,

that are commonly practiced.

brother's keeper. POKOU BEN. Abidjan, Ivory Coast.

# These Self-Styled Arbiters Never Bothered to Ask Me

By Richard Harwood

WASHINGTON — Adolph Ochs, who bought The New York Times in 1896, and Eugene Meyer, who bought The Washington Post in 1933, were typical of the "politically correct" newspaper publishers of their time. They were proper Victorians. They took their cues on what was "fit to print" from the

## **MEANWHILE**

upper-crust social circles in which they moved, barring from their newspapers language and subject matter considered offensive" in polite society. The Times, Mr. Ochs vowed, would

never "soil the breakfast table" with the salacious trash hawked by its sensationalist competitors. The Post, Mr. Meyer promised, would "observe the decencies that are obligatory upon a private gentleman." When a reporter brought Mr. Meyer evidence that Franklin Roosevelt was involved in an extramarital affair, be was not amused. He had no intention, he said, of publishing information demeaning to the United States presidency.

By mid-cennity, obeisance to the stan-dards of "taste and decency" in the middie-class marketplace had become universal in American journalism except for a few raunchy tabloids. Carnality, eroticism, scatology, profamity, gossip and other vulgarities had no place in "family newspapers." Language codes governing these and other matters of taste were enshrined in manuals of style and usage.

They are still there. But no longer do they afford much protection to bourgeois sensitivities or to the concepts of "taste and deceney" advanced by Mr. Ochs and Mr. Meyer, These concepts, as The Post stylebook notes, "are constantly changing" to stay in touch with a new society dominated by baby boomers who bave created a unisex colloquial language heavily dependent on obscenities and other vulgarisms for its effects. This was the language of the World War II serviceman, who may have introduced it to his children, who are today's boomers. Perhaps it is a legacy of the cultural upheaval of the '60s and '70s.

sexual experimentation, drugs and noise as generalized forms of protest. Today the four-letter Anglo-Saxonism is as commonplace as premarital sex among the men and women of that gen-eration. It is endemic, too, in the speech

which made lavish use of dirty words,

of their children. The U.S. media are highly reactive to social change, capable, it is said, of spotting trends before they happen, even trends that will never happen. So it is not strange that the language codes and habits of usage in the press and on television now reflect the "taste and decency" standards of the schoolyard and singles bars. The mainstream press is not as uninhibited as a comedian like Howard Stern, although people are constantly trying to extend the outer limits.

But the media culture as a whole is permeated these days with sex, coarse language, violence and vulgarities that were taboo 25 or 30 years ago.

It is tempting to say that we have reached a point in the media and in American civilization at which anything goes. Yet, along with the crudities and insensitivities of word and gesture they serve us for breakfast, leading journalists are embarked on a mission of "political correctness" intended to purge the language — both written and spoken —
of all things presumed to be "offensive" to women or to any racial, ethnic, sexual or handicapped minority. It is a mission with Orwellian overtones. The FBI already pokes around into the lives of thousands of people under consider-ation for federal jobs, searching aggressively for evidence of "offensive" utter-

what is "offensive"? The editor of the Los Angeles Times, Shelby Coffey 3d, tackles that question in a 19-page encyclical issued on Nov. 10: "Gindelines on Technic Pensis Service and Other Heartification of the Medical Service and Other Heartification." Ethnic, Racial, Sexual and Other Identification." He does not deal with gross and cation. He does not use with a gross air inflammatory epithets such as "gook," "spic," "nigger" or "kike." which were eliminated from newspapers many years ago. What Mr. Coffey deals with in the drive for "correctness" is nuance.

A long entry deals with the term "African American," a recent substitute for "black": "Both this term and the adjective black are permitted under certain circumstances. Keep in mind that a black person is not necessarily an African American and that an African American

is not necessarily a black person."
"Heterosexual" is acceptable when referring to straights, but "homosexual" appears to be unacceptable when refer-ring to nonstraights. "Gay" is the word of choice, though "lesbian" is the preferred term for women.

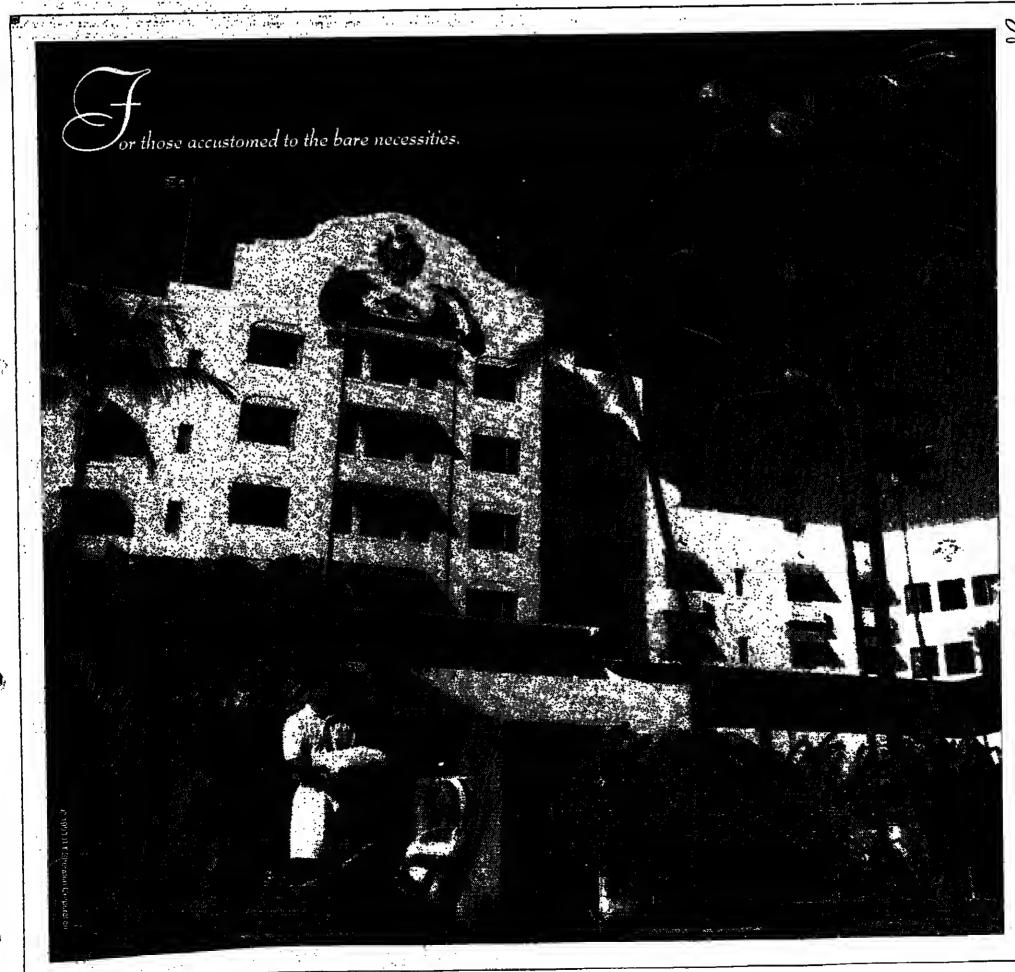
"Dutch treat" is a no-no, "an offensive reference to sharing expenses." "Gyp, gypped, gyp joint. The terms are derived from Gypsy. They are offensive." "Handicap, handicapped person. The word is offensive." "Hick. Offensive

reference to a rural person." This may be the road to political correctoess, but who drew the map? Who among the public bas ever said that "Dotch treat" or "gyp" is offensive? None of the people involved in making up these lists has ever polled the universe to arrive at those judgments.

What does the Los Angeles Times consider to be nonoffensive to its readers? It publishes a weekly listing of best-selling books by black authors. In that category the Times reported on Nov. 29 that its nonfiction paperback list was beaded by a book written and published by Don Spears. The title was: "In Search

of Good Pussy: Living Without Love."
That, one must assume, is politically correct in the 1990s.

The Washington Post.



Lt the hotels and resorts in ITT

Sheraton's Luxury Collection, the standard HAWAII of hing is anything Hotel Hana Man

Island of Kouar Princeville Hote

AUSTRALIA

but standard. As evidenced by the Royal Hawaiian. Set against breathtaking blue skies, its stunning pink Moroccan architecture radiates as beautifully as it did in 1927. And the service is legendary. any Lucary Collection

hotel or any Sheraton Towers, call the ITT Sheraton worldwide reservation office nearest you or your travel specialist.

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# Bringing Home the (Canadian) Bacon

By Clyde H. Farnsworth New York Times Service

ORONTO - During the War of 1812. Americans burned York. the forebear of Toronto, provoking the retaliatory burning of Washington by the British fleet. In the 1840s, some Americans tried to start wars of national liberation to make Canada part of the United States. During the Civil War, the Confederates used Canada as a sanctuary for raids in Vermont Since then, the border has been pretty quies.

But now, in this year of the North American Free Trade Agreement, comes Michael Moore, who is shooting his first commercial feature film here, a satire called "Canadian Bacon" that portrays Canada as America's

Moore is a genial troublemaker best known for his 1989 documentary "Roger and Me." about the troubles in his hometown, Flint. Michigan, after General Motors closed its plant there and put 30,000 people out of work. In the film. Moore doggedly pursues GM's chairman. Roger Smith, who just as doggedly avoids him. Making "Canadian Bacon" is much eas-

ier. Moore said. "I have great actors." he said. "I know exactly what we're going to

do each day. I have a little bit of money to put the camera on a tripod. In 'Roger and Me,' I had to sell everything I owned."

Moore. 39, the son of an auto worker, went to Canada in his youth for his "foreign travels." He started writing "Canadian Bacon" during the Bush administration's 1990 campaign to whip up sentiment for the Gulf War.

"So here was Iraq, an ally of sorts," the filmmaker said. "We'd given Saddam Hussein \$4 hillion in aid to fight Iran, and the very next thing he's the enemy. I started thinking. What would be the most absurd example of how the government and the media could convince people to fear and hate? And I thought. Well. it's right here," the longest unprotected border in the world, the second largest country in land mass, after Russia."

Moore, who published an alternative newspaper in Michigan in the 1970s, and in 1986 found himself dismissed from Mother Jones magazine, is a round-faced, roly-poly man, who could convincingly dress in a Santa suit. "I was too left for Mother Jones," he said. "Can you imagine being too left for Mother Jones?

In the movie, now being shot on location in Toronto and along the border, Canadian Bacon becomes the military code name for the campaign to whip up

anti-Canadian bysteria and give back to the United States the enemy it lost when Russia became an ally.

A national security adviser in the mold of Dr. Strangelove, played by the stand-up comedian Kevin Pollak, convinces a wellmeaning president that this is the way to get defense industries humming and lift his popularity in an election year, when he's being murdered in the polls.

"When we started working on this I thought, well, this is fun because it's so preposterous," said Alan Alda, who plays the harried chief executive. "But the more I do it, the more I think it's not so preposterous. The president never intends to get into any kind of war situation. He gets

carried away hy events."

Alda said he had no particular president in mind. "It's a bipartisan takeoff," he said.

RIST for this satire is most Americans' lack of knowledge about Canada. While Japan is generally considered the big-gest foreign owner of American assets, Canada is actually No. 1, followed by Britain, the Netherlands, and then Japan. Polls show that few Americans can name the Canadian prime minister (Jean Chrétien), while virtually every Canadian can name the U.S. president.

"What do we really know about what they're doing up there," asked Moore, with all that fresh water and all that ice and all those Zamboni machines?" His grin was like a wide-angle lens.

In all the nationality-scrambling, the Canadian-born John Candy stars as an American, the overzealous, superpatriotic sheriff of Niagara Falls, New York, whose mobilization in something called the General Schwarzkopf Shopping Mall helps the president improve his ratings. His deputy, a gun nut played by Rhea Perlman, best known as Carla the barmaid in "Cheers," plays the climactic scene in the CN Tower

Canadians and Americans are depicted in stereotypes. Canadians are portrayed as polite and peace-loving, always willing to bow to the United States. Jokes target bilingualism. Americans are shown as aggressive, bombastic, a shade Tentonic. The chairman of the Joint Chiefs of Staff, played by Rip Torn, is a loud-mouthed general named Panzer.

When the plot of the movie was described to them, several Canadians ex-pressed amusement. "I don't know anyone vho would take offense," said Robert Bothwell, a professor of Canadian history at the University of Toronto.

# In Soho and in Film, the Raffish Drifter

By Matt Wolf

ONDON - David Thewlis likes the cheerfully raffish environment of the Pollo Bar in Soho, and so, for different reasons, might Johnny, the drifter Thewlis plays in "Naked." For the 30-year-old actor, whose career-

making performance dominates Mike Leigh's film, the bustling pasta har is conveniently located minutes from his apartment; and as a regular customer. Thewlis says he feels "very relaxed" there.

Johnny, on the other hand, would appreciate its buzz and no doubt contribute to it. The Pollo Bar is the kind of hangout where one could tapse into werewolf howls of rage. as Johnny does early in "Naked." and virtually be ignored in the crush of other Londoners, wayward or otherwise, who - for the words. moment anyway - have found a home,

That desire for home permeates "Naked," a picaresque chronicle of spiritual homelessness whose cast also includes such rising British actresses as Lesley Sharp and Claire Skinner, playing two London roommates with whom Johnny seeks refuge.

awards for best director and best actor and went on to acclaim in October at the New York Film Festival.

Yet, as shaped by Thewlis in a performance Vincent Canby in The New York Times said was "staggeringly fine," the movie is as different from "Life Is Sweet" and "High Hopes" (1988) as it is possible to

Those films were ensemble pieces whose unironic titles allowed light into life's dark junnel, hui "Naked" places its virtuosic leading man on a relentless "Via Dolor-

Beginning with a sexual assault in a north of England back alley, the film moves to London to follow Johnny's spiraling descent into casual cruelty and no less casual sex — a milieu enriched hy his way with

Johnny is both charming and dangerous, self-destructive and self-aware, as he goes his scruffy way quoting Nostradamus and Revelations like some wide-eved Satanic jester. Capable of rape in Manchester one minute, he is the wit of East London the next, joking about the "halitosis chorus"

Joyce's Duhlin was to Leopold Bloom.

People come out of the movie very confused," Thewlis said. "The guy violates women; he violates people. He only destroys. The only thing he creates with his intellect and his wit is a weapon of destruction which therefore cancels itself out."

While Thewlis was not without doubts during filming, Leigh had faith in an actor with whom he had worked twice before (in 'Life Is Sweet" and in his brief 1987 film, "The Short and Curlies"). "The general assumption I make," the director said, "is that I will push each actor quite to the hilt and exploit them as much as I can. I knew David could hack it with the reading and hring to it the hrain power."

Thewlis more or less fell into his career. The middle child of Blackpool shopkeepers, he decided in the late '70s to accompany two musician friends to London to anditions for the Guildhall School of Music and Drama — and was amazed when they all got in. ("I wanted to keep our band together, so I thought I'll apply," he said with a

laugh.)
Until "Naked," his career was the stan-

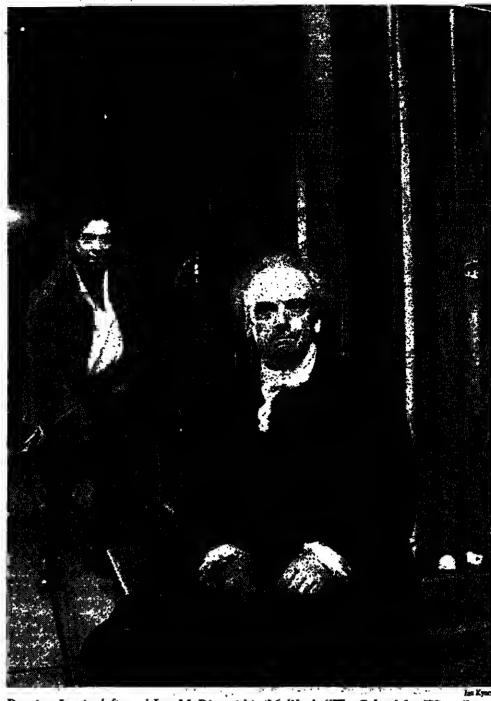
At Cannes this year, the film, Leigh's first even as he sinks into the "fistula" of the dard English actor's mix of London and feature since "Life is Sweet" in 1990, won British capital, which is to him what James regional theater — Edward Bond's "Sea" regional theater — Edward Bond's "Sea" and Michael Cristofer's "Lady and the Clarinet," among other plays — and film and television work. (Thewis is a guard in the opening moments of Harold Pinter's current screen adaptation of "The Trial.")

> EXT summer. Thewlis will be seen in Warner Brothers' new version of "Black Beauty," play-ing the tubercular cockney cabbie who brings Black Beauty to London. The film's writer-director, Caroline Thompson, agreed that it might seem odd to ask a misogynist to play a sweet cab driver, but in the end, Thewlis's eyes did it: "They're huge," said Thompson, "and have this clarity and honesty about them."

But one collaboration between Thewlis and Leigh, a stage "Hamlet," seems unlikely. "It will remain a fantasy," said Thewlis, aware that "Naked" has taken its place. "In a way; I think this is Mike's 'Hamlet'; we've pretty much done it."

Mats Wolf, an American theater critic and surnalist based in London, wrote this for The

## LONDON THEATER



Damian Lewis, left, and Ian McDiarmid in Molière's "The School for Wives."

# Cabaret': A Close-Up

By Sheridan Morley International Herald Tribuni

ONDON - What good is sitting alone in your room? Come to the "Cabaret," old chum: Kander and Ebb's classic 1966 musical has always had a curious heritage (Christopher Isherwood as. Brecht-Weill presence of Lotte Lenya In the original Broadway cast transposed to a Liza Minnelli-Hollywood vehicle that had precious little to do with the original Berlin), but it will never find a better home than amid the nightclub tables of the Donmar Ware-

Sam Mendes's breathtaking new staging abandons the Hal Prince big-band concept for an intimate. close-up, no longer "Sweet Chari-ty" with swastikas but instead a plansibly grimy nightclub where Jane Horrocks (the best Sally Bowles since Judi Dench) belts out the numbers that link Isherwood's sketchy tale. In a stunning cast, Sara Kestelman as the Mother Courage landlady, George Rais-trick as her all-too-Jewish suitor, Adam Godley as the gay English novelist and above all Alan Cumming as the epicene Master of Ceremonies all prove that this is a company show, never better than in the final lineup, when each of them echoes the political, social and sexual themes that have survived the hurly-burly of the Kit-

The score here is an amalgam of numbers from Broadway, Holly-wood and road-show "Cabaret," and Horrocks claws it back from Minnelli with a gritty resilience: Cumming as puppet-master host bers to establish the period. It is never leaves the stage, and though scheduled at the Chaillot until the we have lost the original Lenya

Berlin power, never more so than in mian Lewis's studlike Horace. But the title song, which Horrocks, all the playing here, including that makes an angry anthem to her own of Linal Flatt and Carol Macready survival. In the last seconds, Mendes pulls a final stunt with the emcee that even Hal Prince never thought of, and it makes a chilly, logical sense of the whole show. Go and see it again for yourself.

We may have had to wait until the very last moment for the come. years. Herr Issyvoo by way of John Van the very last moment for the come-Druten's "I Am a Camera" and the dy and the comic performance of surely now have them: Jonathan Kent's brilliantly witty 90-minute staging of Molière's The School for Wives" offers Ian McL

> Sam Mendes's staging has retained its Berlin flavor.

back a wondrous farce from library

to live performance. Kent has dressed up the old Richard Wilbur verse translation with a production in which actual rain falls onto the caged townhouse where Ar-nolphe is keeping his child bride locked away from her lover. The farcical twists and double-twists of Molière's best-constructed plot are counterpointed with a still-topical debate about the purposes of women and marriage in a male-chanvin-ist society, and it is the triumph of this revival that it feels the urge neither to mock nor to update nor to realign the original, but simply to restore it to all it long-lost Parisian intellectual glory.

A mix of Malvolio and Mephis topheles, McDiarmid's frustrated would-be husband and jailer is a never leaves the stage, and though gigantic comic and ultimately tragbreak the jinx of we have lost the original Lenya ic creation, cooly offset by Emma least for the Christink, the show has retained all its Fielding's chilly Agnes and Dathis is surely it.

as the mad servants and Bernard Gallagher as the only same figure to figure in Amolphe's manic scenario, is a tribute to the Almeida's talent for crafting instant company spirit among actors who appear to have been playing together for

We're unlikely ever to see a betthe year, but at the Almeida we ter staging: Kent puts a timeless spin on a vintage comedy, and you can't ask a lot more than that.

- It is the curious achievement of Fay Weidon, as adapter, and Heleflapping around the stage like a na Kaut-Howson, as director to mad goldfish on speed, dragging have given us at the Playbouse a have given us at the Playhouse a Jame Eyre" that puts that novel firmly in- the class of "Rebecca" and "The Secret Garden."

. For those who like their Brontes on stage, here they all are: Char-lotte, Anne, Emily and Branwell hover around the central action. indulging themselves in minor roles and a little light scene-shifting, while center stage Tim Pigott-Smith goes memorably over the top as Rocbester and Alexandra Mathic drifts wanly around in the

If what you want is a three-hour synopsis of the book, all highlights adequately conveyed with just enough postmodernist feminist up-dating flargely conveyed by rag dolls left around the stage and some dollhouses bursting spectacularly into flames) then this is the "Jane Eyre" for you: rather like one of those talking books on cassette, it gets you painlessly through a digest of the original without ever expecting you to think about it too

deeply.

Bill Kenwright, the manager, is commendably offering all seats at £10 (\$15) each, and if anything can break the jinx of the Playhouse, at least for the Christmas season, then

his best, does keep you reading.

Translator Gregory Rabassa

again virtually crases the gulf be-tween Portuguese and English.

while carefully preserving the sense

of difference Amado wants for the

situation from the point of view of

often-opposed prolagonists. So we

quackly see why the hired killer can be seen as "a reliable professional, a good man," why Adalgisa finds marital sex repulsive, why the feu-

dal landowner must defend his

honor with murder.

Amado can perceptively sketch a

African-based vocabulary.

# Everyman's Evil Empire

By Thomas Quinn Curtiss

ARIS - Jérôme Savary, of the Theatre National de Chaillot, has staged Bertoli Brecht's satirical fantasy, "The Resistible Rise of Arturo Ui." which discloses the strategy of evil political forces enslaving free nations.

The play was written in 1941. Brecht had fled Hitler's Reich to Scandinavia in 1933 and in 1941

settled in Hollywood, where he as a three-alarm fire. It transfers found many German colleagues in Hitler's career to that of a nefarious American producers, but it was reropean fray and the play's "it can lete. But in the late 1940s he became a favorite dramatist and the play was eventually performed in Berlin, Paris, London and in the

It is a sprawling affair, as urgent

exile. He sent "Arturo Ui" to mobster - obviously Al Capone who with his rackets and murders is jected by all, for hy then the United terrorizing Chicago and is about to States was nearing entry in the Eu- seek larger game. Inserts of silentfilm titles relate the course of Hitmassacre of his henchman, Ernst Rochm, and his staff is compared to Capone's mass slaying of his enemies in a garage. Hitler's conniving with German captains of in-United States. dustry is paralleled to Arturo Ui's scizure of the vegetable markets. Brecht had a penchant for re-

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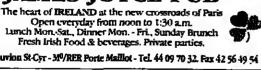
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DA MEO PATACCA VIENNA

KERVANSARAY



Guy Bedos in Savary's production of "Arturo Ui."

He displays his versatility - now the hloody ogre, now the clownish impostor seeking favors — while Martine Montgermont is excellent

at her husband's coffin. The rest is as his unhappy bride. Since Brecht at his most ferocious Since Brecht has shuffled the pure Brecht at his most ferocious cartooning.
Guy Bedos, a slick comedian nals of Chicago there is a list of who of late has been taken to one who's who in the program. The man shows in music halls and on outstanding members of the suptelevision, is the monstrous menace porting are Jacques Debary as the who rules the corrupt metropolis. senile Hindenhurg, Jean-Pierre end of February.

Kalfon as Goebbels, Bernard Ballet as Göring and Roland Blanche as Rochm Savary has mounted the produc-

tion in his customary magic circus formula to enliven the teeming Chicago streets and the political railies. He has engaged the Gospel Chords Singers for spirituals and jazz num-

## **BOOKS**

THE WAR OF THE SAINTS

By Jorge Amado. Translated from Portuguese by Gregory Rabassa. 357 pages. \$22.95. Ban-

Reviewed by Patricia Aufderheide

another Brazilian dinner. The ingredients are predictably pleasant: the beans, the rice, the palm oil.

BEST SELLERS seafood, a zesty dash of lime.

stale about the execution this time. but you can hardly be surprised. Amado has juggled the ingredients he uses in "The War of the Week Saints" more than 20 times before. This is the latest novel in a career that began in 1933, with hrutally social-realistic works written in the

passion of leftish youth. Since then, Brazil has joined the world's top 10 industrial nations, and Amado has mellowed without losing a populist edge to his neverfar-from-pulp storytelling.

capital was a premier exporter of

African slave labor. The legacy of that past is evident - feudal countryside, an African

majority. pronounced African elements in everything from language to food to religion, and endemic tension between Europhiles and

celebrator of African-Brazilian culture. Although the son of a planta-

sugar and tobacco produced with in the syncretic African religious practices he often writes about Amado's romantic melting-pot imagery has been challenged by later ots. We generations of social critics.

Today's rising black-pride movement, which charges that racism is part of Brazilian culture, has a far different take on Brazil's complex cultural heritage. "The War of the Saints" pro-

ceeds as if, in matters multicultural, time has stopped.

The novel is in fact set in the late arrival at the Bahian port of an morning after staying up to finish '60s, the time of the generals, of antique statue of Santa Barbara, an Amado novel, but this one, like torture, censorship, and student ri-

With belated boldness (he began writing this in 1968, picking it up again two decades later), Amado refers to military brutalities and stupidities, American aid, radical priests, and the protest-and-rejoice music of Castano Veloso and Gil-

The action is triggered by the

5 EMBRACED BY THE

this isn't magical realism, it's just garden-variety Amadoism — the fiercely sexy Yansan walks into and all over the lives of a cross-

during carnaval. In the syncretic religious beliefs of the region she is also the African goddess Yansan. When the statue comes to life -

section of Bahian society. It's easy to hate yourself in the

13 THE BEST CAT EVER, by

LIGHT, by Betty J. Eadle ..... 5 6 WOULDN'T TAKE NOTH-ING FOR MY JOURNEY NOW, by Maya Angeloe ...... 6 14 FURTHER ALONG THE ROAD LESS TRAVELED, by M. Scott Peck ...... 15 CASE CLOSED, by Gerald

> ADVICE, HOW-TO AND MISCELLANEOUS 1 AGELESS BODY, TIME LESS MIND, by Deepak Cho-

2 AND IF YOU PLAY GOLF,
YOU'RE MY PRIEND, by
Harvey Penick with Bod
Shrake
3 MEN ARE FROM MARS,
WOMEN ARE FROM YE
NUS, by John Gray
4 STOP THE INSANITY!. by

His fascination with Brazil's African side is contagious, even if it sometimes verges on the touristic.
And the populist sensibility that grounds the tale can be touching.
When stuffy old Dom Maximi-

liano, astonished, figures out what happened to the statue, a fellow priest reminds him. "Miracles happen. . . . Isn't simply living under the conditions that people do a miracle — one of the greatest?"

Patricia Aufderheide, who teaches in the School of Communication at American University, wrote this for The Washington Post.



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writing plays by others and here he has slipped in slices of Molière and

Shakespeare to embellish the char-

dark goggles and a hlack cap. As he

seeks wider influence among the

mighty he undergoes a sartorial

change. He fits himself out in smart

clothes and hires a seasoned actor

to coach him how to walk and how

to talk. The borrowed scene has

him repeating Monsieur Jourdain's

discovering social graces in "The

Would-Be Gentleman." Later Ar-

turo turns into Richard III, court-

ing the widow of one of his victims

RTURO is introduced

as a specimen of the un-

derworld wrapped in a mackintosh and wearing

acterization of his antihero.

R EADING a new Jorge Amado novel is like eating yet The novelty is all in the mix and

the company. There's something

Tom Clancy
Tom Clancy His novels are usually set in or around Bahia, which as the colonial

Amado has become a revered

tion owner, he is a spiritual leader

This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on his are not occessarily consecutive. FICTION 1 SLOW WALTZ IN CEDAR BEND by Robert James Wal-2 THE BRIDGES OF MADI-SON COUNTY, by Robert James Waller 2 3 NIGHTMARES & DREAMS-CAFES, by Sephen King 3 4 WITHOUT REMORSE, by

8 LIKE WATER FOR CHOC-OLATE by Laura Esquivel .. 9 35

te A DANGEROUS FOR-TUNE, by Ken Follett 8 11 THE GOLDEN MEAN, by 12 THE ROBBER BRIDE, by 15 HOTEL PASTIS. by Peter

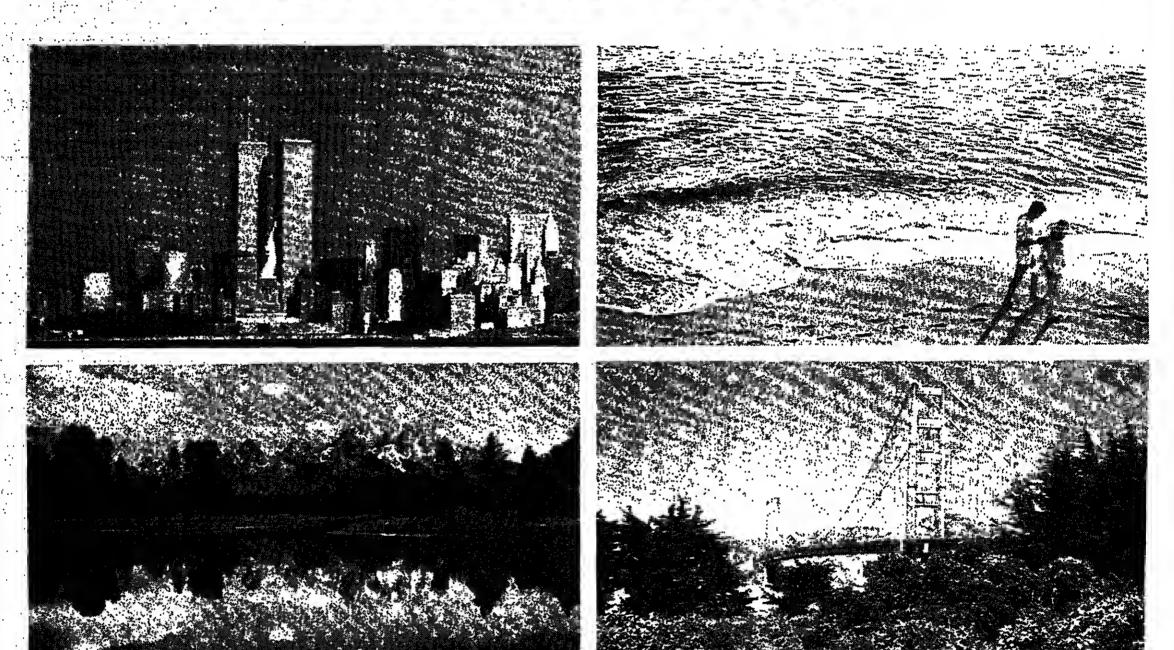
9 THE CLIENT, by John Gris-

NONFICTION I SEE, I TOLO YOU SO, by 3 SEINLANGUAGE by Jerry 

7 HAVING OUR SAY, by Sa-rah and A. Elizabeth Delany with Amy Hill Hearth...... 8 A MARRIAGE MADE IN HEAVEN...OR TOO TIRED FOR AN AFFAIR, by Erma Bombeck 9 LOVE CAN AUTLD A BRIDGE by Naomi Judd ....

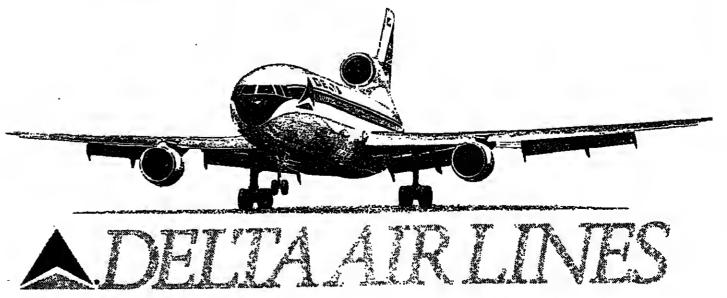
10 THE DOWNING STREET YEARS, by Margaret Thatch-21 STAR TREK MEMORIES, by William Shatner with Caris Kreski NO 8
12 WOMEN WHO RUN WITH THE WOLVES, by Clarissa Phakola Estés

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# This Alliance Demands Patience Five Years On, Daimler and Mitsubishi Are Still Talking

By Steven Brull and Brandon Mitchener

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A German industrialist visiting Hong Kong in October stambled upon a group of managers from Daimler-Benz AG and Mitsu-

bishi who were discussing the two conglomerates' latest plans for a grand global alliance.
Asked what the four days of meetings were likely to produce, a Daimler officer told the industrialist: "Not much, as usual."

That downbeat assessment sums up the in-

formed view of the five-year courtship between Daimler and the Mitsubishi group of companies, industrial giants that stand at the center of Europe's and Asia's largest economies. Indeed, the high-profile dalliance — initiated in 1988 with considerable hoopla by Daimler, which remains the more ardent partner - has so far failed to meet expectations, according to sources in Germany and Japan familiar with both camps. Many po-tential projects have failed, while others are

blocked by prior commitments. The result has been an "extremely loose alliance," according to Takeshi Eguchi, vice chairman of Mitsubishi Corp., the trading company that is the center of the group and one of four units with which Daimler is talking. Rather than pooling resources in every area of overlap, from cars to electronics to high-speed trains, be said, "we are tying up only when it works for each individual company."

others. "We're both free," he said. "We never said we were going to be rebuild the old Tokyo-Berlin axis," added Ursula Mertzig-Stein, a Daimler spokeswoman. "All

pany" and both sides are allowed to flirt with

we said was we'd talk with Mitsubishi about topics of common interest."

Nevertheless, executives of both companies insist it is too early to bury their dream of a more far-reaching exchange. Edzard Ren-ter, chairman of Daimler, called the companies' last summit meeting in Berlin their best

> Everything in life takes a certain time to mature. We still believe it can be done.

> Gerhard Liener, Daimler's chief financial officer and chief liaison with Mitsubishi.

yet and hailed an agreement involving semiconductor technology as a "milestone" in their relationship.

While some observers dismissed the semiconductor project and others announced in November as "modest" — at \$50 million a year, the projects are financially marginal to concerns whose businesses total billions — Daimler and Mitsubishi continue to dangle

the prospect of bigger things to come. Gerhard Liener, Daimler's chief financial officer and chief liaison with Mitsubishi, termed expectations of an imminent deal on supersonic jets or high-speed trains "unreal," but added, "It could very well be that sometime in the next two-three years we achieve something that the pubbic perceives as impor"Everything in life takes a certain time to mature," he said. "We still believe it can be

The idea for a broad alliance between the world's fifth and 22d-largest industrial and trading conglomerates was initially Daimler's. Daimler, the smaller of the two, wants access to Japanese electronics expertise and booming Asian markets. A tenet of its overall strategy is to form joint ventures in fields

where it lacks cutting-edge technology.

For Mitsubishi, the interest is mutual. But with limited know-how to acquire from Daimler, the stakes are lower for the Missubishi side, which includes Mitsubishi Electric Corp., Mitsubishi Heavy Industries Ltd., Mitsubishi Motors Corp. as well as Mitsubishi Corp. Their main goal is to realize savings through cooperative global sourcing and Daimler's help in accessing markets in Eu-

Efforts to construct a broader alliance have been derailed by a variety of changes. Daim-ler has been distracted by extensive internal restructuring. Mitsubish has been frustrated by the year's surge against Western currencies, which killed projects involving exports of components for assembly in Europe. Both have been affected by the global recession.

Overall, more potential areas of cooperation have failed than succeeded. Of 15 topics discussed in Berlin, for example, six resulted in agreements. The others were kept under wraps to prevent the appearance of an impasse. Ideas that pre-iously had been shelved include the production of Mitsubishi light trucks in Eastern Germany, joint develop-

See ALLIES, Page 15

# Germany Spots Sign of Upturn, Japan Doesn't

# Bundesbank Sees 'Trough' Gap Shrinks

Compiled by Our Stuff From Dispatches FRANKFURT — The Bundes-bank said Tuesday that the West German economy had reached a trough and might be starting to pull out of its worst recession since World War IL

in its monthly report on the economy, the German central bank also said there had been a sharp slowdown in inflation and in money-supply growth in the last few

The German economy has gone into a deep slump over the past two years, resulting in bundreds of thousands of job cuts by major employers. But the Bundesbank report, noting that the gross domestic product in Western Germany had risen for two consecutive quarters. said: "The trough has apparently been reached and may even have been passed through."

Still, even though manufacturing production had risen oearly I per-cent in the third quarter from the second quarter, the central bank cantioned that "it would probably be premature to conclude" that "recessionary tendencies have definitively been overcome."

The Bundesbank said the general level of economic activity was still low, capacity utilization in industry had continued to fall, and demand was oot yet strong enough to produce a speedy recovery.

For example, while foreign orders for German products in the third quarter were up 2 percent from the previous three months, they were down 4 percent from a year earlier.

The Bundesbank said that inflationary pressures had slowed in recent months, as prices rose at a seasonally adjusted annualized rate of 2.5 percent between August and

The U.S. trade gap hit a five-year high in the third quarter. Page 12. ber from \$7.56 billion a year earli-

er, its first year-on-year contraction The move reflected reduced shipments to the European Community of cars, computers and audio equipment and increased imports from Asia, including semiconductors, audiovisual equipment, raw materials

Tokyo's Trade

Compiled by Our Staff From Dispatches

TOKYO - Japan's trade surplus narrowed last month for the

first time in almost three years, the

Finance Ministry said Tuesday.

while other figures showed Japan's

The surplus, on a customs-

cleared and unadjusted basis, sbrank to \$7.40 billion in Novem-

economy sull deep in recession.

such as timber and fish. Fumio Tomori, director of the Finance Ministry's customs and tariff bureau, said the growth in the surplus appeared to have peaked in July, when it was up 28.2 percent from the same month in 1992.

He said the downward trend was "mainly due to foreign exchange

The news may ease some of the pressure on Japan to stimulate its economy or take other action to increase imports and bring down the trade surplus.

But the trade surplus with the United States, which has been leading the calls for Japan to open its market, widened 13 percent to No-vember, to \$4.3 billion from \$3.8

Prime Minister Morihiro Hosokawa is due to meet President Bill Clintoo in February to review progress in talks aimed at cutting

See JAPAN, Page 13

# Paramount Half-Heartedly Drops Viacom

The Associated Press NEW YORK - Paramount mications Inc., the object of

But Paramount's board also made the mexpected decision to allow company executives who are on the board to remain active in determining which is the better offer. Legal experts had expected the board to establish an independent committee excluding the four directors who are also executives.

The Delaware Supreme Court last week criticized the board, led by Paramount's chairman, Martin

pendent committee, and concluded it was inappropriate," a company spokesman said, "The entire board will continue to be involved in the

He refused to elaborate, Mr. Davis. who is trying to fend off Barry Paramount Pictures head, report-

edly opposed the idea of an inde-Throughout the three-month takeover battle for Paramount, the pendent committee. Mr. Diller left Paramount after a entertainment and publishing con-

the fiercest takeover battle m years, formally abandoned its allegiance a competing, bostile offer trom QVC Network Inc. It upheld a low-Inc. and threw open bidding for the er court ruling that Paramount board decided not to hire a oew billion as of Monday, and accept investment bank or law firm to help viacom's lower offer, oow worth could not block QVC's bid.

The spokesman also said the bidlion as of Monday, and accept investment bank or law firm to help viacom's lower offer, oow worth could not block QVC's bid.

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In a separate development, Paramount could not block QVC's bid.

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In a separate development, Paramount could not block QVC's bid.

"It's clear you won't even get taken seriously if you again use the same people and the same process to reach the same conclusion," said John Collee, a law professor at Columbia University.

If the board chooses Viacom's ware Chancery Court, he said.

mount reported that it earned \$96.8 million in the quarter ended Oct. 31, down 5 percent from \$102.4 million a year earlier.

The decline in the quarter ended Oct. 31 came despite a 17 percent Diller, QVC's chairman and former offer, QVC may appeal to the Dela- climb in revenue, which reached

See GERMANY, Page 13

## MEDIA MARKETS

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Industrial Sectors

# **Here Comes More Hard Sell**

106.91 107.48 -0.53

108.61 109.31 -0.64

95.43 96.29 -0.89

126.72 129.36 -2.04

By Bruce Horovitz Los Angeles Times Service
OS ANGELES — Madisson Avenue's top
commercial creations have historically
been catchy entertainment vehicles such as dancing raisins and drum-beating bunnies. But the talk of the ad world in 1994 likely will not be rhythmic raisins nor invincible rabbits.

Beleaguered advertisers hankering for product sales know that suappy images may bring smiles, but they do not always elicit sales. Brand-awareness campaigns can sometimes take years to show results. So in 1994, and perhaps for years to come, the focus of the ad industry will likely be much more singleminded: conxing consumers to buy on the spot.

The success of the infomercial industry, whose The success of the anometeral holians worth of advertisers now sell several billion dollars worth of goods annually through the targeted use of high-pressure TV messages, has combined with the effects of a sluggish economy to prompt this shift.

Many ad agencies that built their reputations crafting dever commercial images - tigers that roar and ketchip that would not pour — may have to leave brand-building themes behind. Instead, agencies will increasingly create messages that prod consumers to act immediately.

In 1994, many 30-second, image-building spots will be replaced by "mani-infomercials" — 60- to 90-second TV spots that press consumers to send for information or to buy at that moment. More top consumer product makers will flash toll-free numbers on TV and print ads. And some of the biggest names in advertising, particularly carmakers, will test "interactive" technology that allows consumers to order with the push of a button.

"Next year, you'll see 800 numbers on ads for everything from pantyhose to cake mixes," said Steve Hayden, chairman of BBDO/Los Angeles. "The problem is, in a world of information overload, how many of these oumbers will people actually call?"

Perhaps to help answer that question, BBDO will combine two teams of ad creators in 1994 that might seem to be opposites; one specializes in creating image-building ads and the other has made its mark getting consumers to act immediately. Specialists from BBDO's new Minneapolisbased sales promotion and direct marketing division will join employees in its San Francisco office who specialize in more conventional advertising. One of their first projects will be to help devise some new ad strategies for Apple Computer Inc.

Makers of big-ticket items such as cars are bunting hard for ways to more closely target likely customers. Several — like Volvo AB and Toyota Motor Corp.'s Lexes — have already discovered that infomercials aired at select times can do a better job reaching their audiences than millions of dollars spent on mass-market advertising.

"We're not just in the business of producing TV commercials any more," said Tom Patty, executive vice president at the Los Angeles agency Chiat/Day, who oversees the firm's Nissan Motor Corp. and Infiniti ad accounts. "We're in the business of helping clients persuade consumers to do something."

Just a handful of years ago, such statements might have been creative suicide at Chiat/Day, an agency whose reputation was built on creating some of the most talked-about campaigns on tele-vision — from "Planet Reebok" to Evercady's rambling rabbit But Chiat/Day is now forming an infomercial division. It is also developing ads for Nissan to be tested next year on a new cable Variant in Orlando, Florida. The station, a Time-Warner Inc. venture, will make it possible for 4,000 consumers to push buttons on home remote con-trols to see in-depth product information.

# Stocks Fall On Surge in **Commodities**

Compiled by Our Staff From Dispatches NEW YORK —Stock and bond prices tumbled Tuesday amid strength in commodities prices.

The Commodity Research Burean's spot index of 21 commodity prices was up 0.35 point, at 224.18. after rising as high as 224.80 in intraday trading. The prices are now at their strongest since No-vember 1990, three years ago.

Prices of a number of agricultural futures contracts surged, includ-ing the soybean complex, wheat. corn, lumber and cattle, traders said. The rise is fueling fresh concern of inflationary pressure in the United States, which would make fixed-income securities, such as

bonds, less attractive to investors.
The benchmark 30-year U.S.
Treasury bond, after being up as much as 8/32 in early trading, point, fell was down 21/32, to 99
18/32. At that price its yield was 6.28 percent, up from 6.23 percent on Monday. The bond's record-low yield was 5.77 percent set Oct. 15

yield was 5.77 percent, set Oct. 15.
The Commodities index "is breaking out," said Terrence Crowe, head of bond arbitrage at Nikko Securities Co. International. The index was as low as 218 just two weeks ago, and this summer had sank to about 205.

Investors shrugged off the Com-merce Departments' report that re-

See MARKET, Page 12

ECU

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uring the Renaissance, trusted advisors helped administer the finances and protect the interests of private individuals. The role demanded judgment, commitment and skill.

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banker and client. It's also about building for the future, keeping assets secure for the generations

This client focus has contributed to our leading position in private banking. As a subsidiary of Safra Republic Holdings S.A. and an affiliate of Republic New York Corporation, we're part of a global group with more than US\$4 billion in capital and US\$46 billion in assets. These assets continue

to grow substantially, a testament to the group's strong balance sheets, risk-averse orientation and century-old heritage.

All banks in the group are locally managed, attuned to the language and culture of their customers. They share a philosophy that emphasizes lasting relationships and mutual trust. Those values were once the foundation of banking. At Republic, they have been and always will be.

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HEAD OFFICE: GENEVA 1204 - 2, PLACE OU LAC - TEL. 1022 : 705 55 55 FOREX - 1022 : 705 55 50 AND GENEVA 1201 - 2. RUE DR. ALFRED-VINCENT : CORNER MEAD OFFICE GENEVA 1206 \* Z. FLACE OU LAS. TEL. 1042 / 7/3 35 35 TONRES. 1027 / 7/3 35 30 TONRES. 1027 / 7/3 30 TONR

## **CURRENCY & INTEREST RATES**

**Key Money Rates** United States

# Fears About Russia **Undermine Mark**

NEW YORK - The dollar raihed against most major currencies Tuesday amid concern about a Russian politician's threat to unleash nuclear weapons against the West. Vladimir V. Zhirinovsky, whose ultranationalist party captured a

quarter of the vote in parliamentary elections last weekend, said he would not hesitate to use ouclear weapons to keep Germany from meddling in Russia's affairs. "Zhirinovsky did a good job of

## Foreign Exchange

spooking the market," said Amy Smith, currency-market strategist at IDEA, a consulting firm. "He's charismatic and could be a force to be reckoned with."

The dollar closed at 1.7146 Deutsche marks, up from 1.7080 DM at the elose Mooday. It rose to 109, 375 yen from 108,990 yen.
The dollar rose to 5,8638 French francs from 5,8405 francs. The pound finished at \$1,4885, down from \$1,4900 on Mooday.

But the U.S. currency slipped against the Swiss franc, seen by European investors as a safe haven in which to place proceeds from mark sales. The dollar fell to 1.4650 Swiss francs from 1 4663 francs

The mark slid against the dollar after the comments were reported. The mark often suffers when there is turmoil in Russia because geography makes Germany vulnerable to threats from the East. Germany is

also Russia's biggest creditor.

lovestors' confidence that President Boris N. Yeltsin is still in control kept the mark from falling further, traders said. "The political waters have been

muddied again in Russia, 'said Pe-ter Luxton, an economist at Bar-elays Bank in Londoo. "While there's no immediate erisis, it does cast a shadow over prospects for longer-term stability there and in Eastern Europe."

The mark was also hurt by speculation that Germany's Bundesbank could cut its key discount rate from its current 5.75 percent at its biweekly policy meeting Thursday, traders said.

"I wouldn't rule out a quarter-point rate cut from the Bundes-bank this week." said Carl Amendola, vice president at Bayerische Hypotheken- & Wechsel Bank. With German rates heading low-

er sooner or later, and the U.S. ecocomic recovery gaining mo-meotum, the dollar is unlikely to fall below 1.69 DM anytime soon, Mr. Amendola said.

## **MARKET:** Commodities Rise

### Continued from Page 11

tail sales in November rose 0.4 percent. Excluding automobiles, retail sales rose 0.5 perceot. The sales figures were about as expected. But analysts said investors were

taking profits following Monday's record high for the Dow because the broader market has not kept up with the Dow's recent highs.

There is widespread nervousness provoked by the high levels of the stock market," said James Mel-

## N.Y. Stocks

cher, founder and president of Balestra Capital. Another negative for the stock

market, analysts said, was lower stock prices abroad. European share prices fell on concern over political instability in Russia. The Dow Jooes industrial aver-

age, which jumped 23,76 points, to a record 3,764,43 Monday, was down 21.80 points, to 3.742.63. Declining shares outnumbered advances about 2 to 1 oo the New

York Stock Exchange.
The American Stock Exchange index was down 2.94, at 461.83. In over-the-counter trading, the Nasdaq composite index was down 8.23, at 731.47.

Simon Property Group was the most-active issue on the Big Board, closing at 22% after its initial publie offering at \$22.50. The sale of shares in the real estate investment

trust netted \$840 million, the largest ever by a REIT.

Circuit City Stores was the second most-active issue, falling ½ to 20%. The stock sank 1% on Monday after the Richmond, Virginia, electronics and appliance retailer reported third-quarter results that were

slightly below market forecasts. Teléfonos de Mexico was also mong the actives, falling 1 to 6014. Four of the 10 most active NYSE issues were depositary shares and rights representing equity interests in Mexican companies.

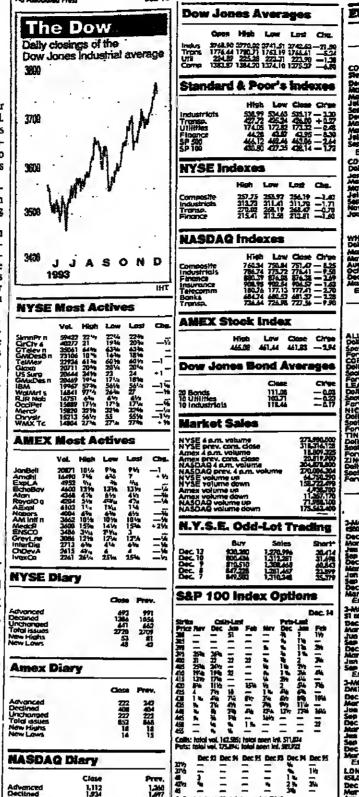
Leading the way were the shares

of Grupo Televisa SA, the domi nant company in Mexican televi-sion. It sold \$1 billion of securities in a secondary offering Monday in the United States. Mexico and Europe. The shares fell 4 to 634, Grupo Mexicano de Desarrollo SA, a construction company, had two issues on the most active list. They were sold as units Mooday in an initial public offering. Com-bined, the two issues traded at 37%.

up from the issue price of 34. On the Amex, Jan Bell Marketing paced the actives, falling after a block of 1.5 million shares changed hands at 914.

Among other active issues, An-beuser-Busch Cos, fell 14 to 494 after the brewer reportedly told distributors it plans to eul beer prices to revive sales in its largest market. California.

(Bloomberg, Knight-Ridder, AP)



## Saber-Rattling Unnerves Markets

Bloomberg Business News

LONDON - European stocks tumbled Tuesday after threats made by the leader of Russia's far-right party to unleash nuclear weapons against

the West were repeated by news agencies.

Vladimir V. Zhirinovsky, the ultranationalist leader whose party won 24 percent of the vote in Russia's elections, said on German television he would not besitate to use nuclear weapons, particularly against Germany.

The DAX Index of 30 blue-chip German stocks fell 22.78 points to 2.149.97. In France, the CAC 40 Index closed 39.81 points lower, or nearly 2 percent, at 2.156.5. Italian stocks were also hit by the statements, with the Meltal index of great and this chips adding all register learners. with the Mibtel index of screen-traded blue chips ending 41 points lower,

# **EUROPEAN FUTURES** Nich Law Prev. Cles GERMAN GOVERNMENT BUND (LIFFE) DA 250,660 - pts of 160 pct Mar 100,95 180,45 160,85 + 0,16 Jun 100,77 180,73 190,81 + 0,16 Est, volume; 71,260, Open Interest; 9 154,651 Food | Company | Comp COFFEE (LCE) SRENT CRUDE OIL ()PE) Stock Indexes TSE 100 (LIPFE) 25 per ladex point 111350 111450 114750 114840 113330 113450 116750 114840 THOOSES (Histo Grade) 0.506 0.575 217.60 217.60 0.32 5.00 127.50 1.753 1.753 977.50 978.50 1015.00 1016.00 996.00 997.00 1003.00 1034.00 Financial INCREASEO

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U.S. Trade Cap Widest in 5 Years

WASHINGTON (AP)—The broadest measure of the U.S. foreign trade deficit widened by 3 percent in the July-September quarter to the highest level in nearly five years, the government said Tuesday.

The third-quarter gap in the U.S. current account totaled \$28 billion, up from \$27.2 billion during the April-June period, when the deficit widened by 21.8 percent, it was the largest quarterly deficit since the \$33 billion imbalance in the final three months of 1988.

The current account is considered the broadest measure of Ameri-

The current account is considered the broadest measure of America's trade competitiveness because it tracks not only trade in mer-

ca's trade competitiveness because it tracks not only trade in ingle-chandise but also trade in services and investment flows between the United States and other nations.

Separately, the Commerce Department reported that retail sales increased a moderate 0.4 percent in November as higher furniture and building supply receipts offset disappointment at department stores. The gain, to a seasonally adjusted \$178.9 billion, marked the eighth consecutive increase. It followed a 1.8 percent jump in October, which was revised up from an earlier estimate of 1.5 percent.

U.S. Chip Makers Outpacing Japan

TOKYO (AP) — In a remarkable immarcand for a once-troubled industry, U.S. semiconductor makers retook the lead in computer-chip production this year, surpassing Japan for the first time in eight years, a research company said Thesday.

Dataquest Inc., a market research concern, said American companies controlled 41.9 percent of the world semiconductor market in 1993, compared with 41.4 percent for Japanese makers. For the second year, Intel Corp. was the world's largest chip maker, it said. The maker of computer microprocessors stretched its world market share to 9.6 percent, 22 points ahead of NEC Corp. Motorola Inc. rumped ahead of cent, 2.2 points ahead of NEC Corp. Motorola Inc. jumped ahead of Toshiba Corp. to become the world's third-largest chip company.

## **Mozer Gets Four-Month Sentence**

NEW YORK (Bloomberg) - Paul Mozer, the former Salomon Broth-

NEW YORK (Bloomberg) — Paul Mozer, the former Salomon Brothers Inc. trader, was sentenced to four months in purson Tuesday for his role in the Treasury securities scandal that toppled high-ranking Salomon officers and brought a \$290 million fine against the firm.

Mr. Mozer; former head of the government-bond trading desk at Salomon, pleaded guilty in September to two felony counts for submitting false bids for government notes at a Feb. 21, 1991; anction. Mr. Mozer also faces a civil suit.

## **Bell Atlantic to Sell Finance Division**

WASHINGTON (Bloomberg) — Bell Atlantic Corp. plans to raise as much as \$351 million by selling its commercial finance and equipment leasing business to the public.

The Philadelphia-based regional telephone company filed Tuesday with the Securities and Exchange Commission to sell 13.5 million shares of TriCon Capital Corp. Bell Atlantic acquired the assets of TriCon, originally part of TriContinental Leasing Corp., in 1984.

## For the Record

Virginians, company executives said.

AEA investors Inc., a New York-based investment firm, will spend \$565 million for nearly half of Kloster Cruise Ltd., the most financially insecure of the big circuise lines. Kloster will retain Norwegian Cruise Line, with six ships while selling its two high-end, worldwide cruise lines, its three-ship Royal Viking Line and its two-ship Royal Cruise Line. (AP) Edward J. DeBartolo postponed the \$600 million initial public offering of his DeBartolo Realty Corp. because of "current market conditions for onlyick traded real exists investment trusts." publicly traded real estate investment trusts." (Bloomberg)
Walt Disney Co.'s planned theme park in Virginia would attract 6.3

million visitors a year and directly or indirectly lead to jobs for up to 12,400

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# Trafalgar Seeks £425 Million **As Loss Widens**

LONDON - Trafalgar House PLC announced Tuesday a surge in its loss and plans for a £425 million (\$635 million) cash call to fill a hole caused by over-ambitious expansion and improdent accounting.

Trafalgar said it hoped the call. its third in just over two years, would also be the last. But with no major pick-up expected before 1995, it left the market groping in the dark about future prosperts.

The rights issue, which was expected in the market, is being sup-ported by 25.3 percent shareholder Hongkong Land Holdings Ltd., part of the Jardine Matheson group.

The company said its pretax loss in the year ended Sept. 30 increased to to £347.2 million from just £11.2 million a year earlier. The loss in the latest year came after writedowns of £330.7 million against property, hotels, oil rigs and shipping.

gious names, including London's Ritz hotel, Cunard shipping — own-er of the luxury liner Queen Elizabeth II - and the John Brown metal working concern. With restructuring and other costs, one-time charges reached a massive £467.7 million, dwarfing

Trafalgar owns a church of presti-

even the most pessimistic forecasts. "The situation Trafalgar House was in, it clearly needed to raise a substantial amount from the market." Chief Executive Allan Gorm-

ly told analysis and journalists.

balance sheet, little or no debt and will be able to restructure bank facilities to put them in the right shape for the business. We don't see any significant constraints on our ability to trade," he added.

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Trafalgar chopped its dividend to 3.25 pence from 6 pence and, to save cash, said it would pay no more than a penny next year.

Its shares dropped nine pence, to 78.5 pence, in late trading, and brokers said they had further to fall. People are still uncertain about the level of recovery we should be looking to in coming years," said analyst Andrew Mitchell at Smith New Court Securities.

"If the dividend is an indication of expected earnings, that suggests the value of the company should be lower" he added.

Trafalgar has struggled with recession and the disastrous 1991 acquisition of Davy Corp., a metal working and construction company, funded by a £310 million rights issne. Hongkong Land forced a man-agement shakeup last year, but a second cash call in January, which took in £200 million, was insufficient to stop Trafalgar from breaching bank covenants with the latest loss.

Of the new money, £355 million is to be raised in a one-for-three rights issue of convertible preferred shares at £1 per share. An institutional placement is to raise £70 million.

# Deutsche Bank's Horizon **More Investments Abroad Are Sought**

AFP-Extel News FRANKFURT — Deutsche

Bank AG, with its expansion abroad beginning to pay off, is considering further acqu or major investments in France and elsewhere in Europe, a managing board member said.

After a series of acquisitions in recent years, Rolf Breuer said in an interview, "the payback period is starting now."

Mr. Breuer, responsible for Deutsche Bank's business in France and in the Middle East, said the bank was looking into expanding its French business in the areas of asset management. investment banking, corporate finance and mergers and acquisi-

He said the bank was also "very interested" in France's pri-

atization program.

But rather than buy stakes in French companies set for privatization, Deutsche Bank will try to lead in international placements of shares and will compete for the financial advisory business, he said.

Deutsche Bank was involved in the privatization of Banque Nationale de Paris but will not participate in the scheduled sale of the smaller Bank Hervet, he said. But be said it would compete "strongly" to be a co-lead manager in France's privatization of the oil company Elf Aqui-

"In France, the lead manager will be always a French bank," he said, just as a German bank would be the lead manager in a

"But we believe there should be a non-French co-lead manag-

He said Deutsche Bank had not kept stakes in the French companies it had helped privatize because Paris preferred to keep the key stake in the hands of a group of core shareholders." But he said taking stakes in

> We would like to Europeanize our industrial holdings. We have focused on German holdings.

and we would like to diversify.

Rolf Breuer, Deutsche Bank managing board

European companies being privatized would be a way to meet the bank's goal of diversifying its

portfolio outside Germany.
"We would like to Europeanize our industrial holdings," he said, "We feel we have very much focused on German holdings, and we would very much like to diversify away from that. We would use opportunities such as French. Italian or maybe even Spanish privatizations to do

Until now, the reason for not doing so actively has been Germany's nigh tax on capital gains, Mr. Breuer said.

"The difference between the book and market value, when realized, is subject in Germany to more than 60 percent capital gains tax," he said.

He said the bank would like to invest in companies involved in telecommunications, modern transportation and "everything connected with genetic technology and hiotechnology.

Mr. Breuer said the bank did not plan to expand in France as it had in Spain or Italy, by acquiring existing retail banking networks. Instead, he said, it expected to act as it did in Britain. where it acquired a major investment bank. Morgan Grenfell Group PLC, in 1989.

At present, Deutsche Bank has a loan-production office in Strasbourg and a bank branch in Par-

"We do not think that getting into French retail banking activiries is a promising suggestion. Mr. Breuer said.

He said that because major French banks already provide very sophisticated banking services all over the country," Deutsche Bank "could not offer much of an added value" if it were to buy into an existing branch net-work or try to establish one itself.

But, when asked about reports of Deutsche Bank linking up with Credit Industriel d'Alsace & de Lorraine, based in Strasbourg, Mr. Breuer said that was "a different case," as CIAL was a regional hank, with a "very definite emphasis" on Alsace and

# Sabena **Foresees** 1993 Loss

BRUSSELS - The Belgian flag carrier Sabena, hurt by deregula-tion and currency devaluations, will lose money in 1993, the airline's chairman, Pierre Godfroid,

said Tuesday.

But be said the carrier was not performing hadly when compared with other airlines and said its European business was performing above expectations.

"Our 1993 result will not be good, but we are doing less hadly relative to other companies and our market share is up in Europe," Mr. Godfroid said. Asked if this meant that Sabena

would be unprofitable this year, Mr. Godfroid said, "Yes, but you have to see whether you are in better or worse shape than your com-

Sabena, 37.5 percent-owned by Air France, earned 6 million Belgian francs (\$168,000) in 1992. Mr. Godfroid also suggested a temporary freeze by the European Community on capacity and fares. EC airlines had losses totaling

Austrian Air in Talks

\$700 million last year.

Austrian Airlines said it is talking with Lufthansa and its Austrian affiliate, Lauda Airlines, about future cooperation, Bloomberg Business News reported from Vienna. It also is holding discussions with Swissair about expanding their relationship that now include sharing reservations systems and

pilot training. A spokesman said no agreements had been reached.

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 Daimler-Benz AG's chairman, Edzard Reuter, said he hoped Mercedes-Benz AG would have an operating profit in the fourth quarter after an operating loss so far this year, but he also said that Mercedes, AEG AG and Deutsche Aerospace AG would post full-year operating losses.

• The EC Commission conditionally approved the joint venture between Germany's Kali & Salz AG, a unit of BASF AG, and Mitteldentsche Kali, which the Treuhand is in the process of privatizating.

Airbus Industrie said Air Canada had agreed to huy six A340-300

airliners and take options for three more, Arjil Bank, part of the Lagardère Group, named Bernard Attali, former

chairman of Air France, as chairman of the bank's supervisory board. Trygg-Hansa SPP Holding, the Swedish insurer, cut the price range on its initial public offering in its U.S. unit Home Holding Inc. to \$17-\$19 a share from \$25-27, and halved the offering's size, to 7.5 million shares.

 Bandai France, an affiliate of the Japanese toy company, was fined 30 million francs (\$5.14 million) for abusing its dominant position in the French video-game market, AFP, Reners, AFX, Bloomberg, AP, Knight-Ridder

# GERMANY: Sign of Upturn

Continued from Page 11 November, compared with more

than 4 percent at midyear. The Bundesbank said the M-3 measure of money supply, meanwhile, had risen at a seasonally adjusted annualized rate of 5.5 percent over the last three months, compared with 8 percent between

May and July. The report also said Eastern Germany's economy continued to show improvement and that products from the East were becoming more. competitive on the German market.

There has been speculation that the Bundesbank might be poised for another cut in its official interest rates by the end of this year, but

the central bank warned against

speculation in that direction. The central bank last lowered its discount rate to 5.75 percent and Lombard rate to 6.75 percent on-Oct. 21. The discount rate is the bank's lowest rate on loans to commercial banks, and the Lombard is the rate commercial banks pay for emergency short-term loans. (Reuters, AP)

Bank Schedules a Briefing The Bundesbank will hold a news conference after its regular policy council meeting Thorsday to announce its 1994 target for M-3 money-supply growth, news agencies reported.

(Knight-Ridder, AFX)

# JAPAN: Trade Deficit Shrinks

Continued from Page 11 Japan's surplus in trade with the

United States. Economists said the reversal in the overall surplus's direction might halt or slow the appreciation of the yen, which was sent soaring this year after U.S. officials said the currency needed to become more expensive to raise the prices of Japanese goods abroad.

If so, that would be good news for Japan's exporters, who lost billions of dollars in sales as their products became less competitive ternationally.

"It's a long-awaited turnabout," Don Kimball, an economist at Mitsubishi Bank, said. As the yen has risen, he said, "the pain has just

been so intense" that anything that would ease that pressure would relieve Japanese corporations.

But apart from the trade figures, Japan found little to cheer about in economic data released Tuesday. Other reports said large Japanese companies were still failing and that machinery orders, a leading indicator of capital investment, had dropped to their lowest level

The number of Japanese bankruptcies fell 4.5 rercent in November, to 1,224 cases, according to Tokyo Shoko Research, a private research institute. But among the casualties included 15 companies in the large-capitalization category.

(Bloomberg, AFP, Reuters)

# **Spanish Business Leaders Seek Further Labor Talks**

MADRID - Spanish husiness leaders said Tuesday that they will invite labor unions to negotiate a wage pact despite the failure of four months of government-mediated talks on labor reform.

"We will send the unions a written proposal for talks today or tomorrow." Jose Maria Cuevas, chairman of the Spanish Confederation of Employers' Organizations, said.

Mr. Cuevas said he was doubtful whether the unions would agree to the new talks but added, "We will talk who never they say so."

# Separately, the General Union of Workers, or UGT, and the Confederation of Workers' Commissions, or CCOO — the two largest trade

unions in Spain - are planning a general strike on Jan. 26 or 27, AFP-Extel reported from Madrid. quoting a union source. The final date is to be released Friday.

mated at 19 to 23 percent.

Mr. Cuevas said, "The main concern for husinesses in next year's collective bargaining must be how to maintain jobs." Spain has the highest unemploy-

ment rate in the 12-nation European Community. It is variously esti-

# **Dutch Banker to Head BIS** andre Lamfalussy, is Andrew

BASEL - Wim Duisenberg, govnamed president of the Bank for director of the Bank of England. International Settlements,

Mr. Duisenberg, 58, who succeeds Swedish central bank governor Bengt Dennis, has held the position before, from Jan, 1988 to Dec. 1990. This three-year term starts Jan. 1.

The dual post of president and chairman of the board is a nonexecutive position. The new chief exec-

ernor of the Dutch central bank, was Crockett, currently the executive The BIS, which acts as the central

bank for the world's central banks, discusses international monetary policy and assists about 80 central banks in managing their reserves in the international markets.

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Mr. Duisenberg will retain his position as governor of the Dutch

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French Health System Deep in the Red Compiled by Our Staff From Dispatches
PARIS — Record unemployment and economic woes have plunged France's national health insurance system into a 57 billion franc (59.7 billion) hole this year, an accounting commission reported Tuesday.

Indispensable tool for national solidarity, is going through the most occupant this year instead of the expected 1.7 percent.

He said operating expenses had jumped by 6.4 percent, while considerable and unprecedented deficits.

France's health insurance propagate, at a time when it is the most necessary, the chairman of the commission. Jean Marmot, wrote. "Since it tributions increased only by 2.3 percent this year instead of the expected 1.7 percent.

He said operating expenses had jumped by 6.4 percent, while considerable and unprecedented deficits.

France's health insurance propagate, which guarantees inexpensive medical care to most of its 56 million citizens, has long been a source of national pride. The system has never been faced with such poor economic.

It also said that the system would run a deficit of 43 billion francs

next year. "Our Social Security system, an ed because of an abnormally small, called the social security system's income.

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was created, the system has never been faced with such poor economic conditions.

was created, the system has never been faced with such poor economic conditions."

Social Affairs Minister Simone Veil said Thesday that "the government will take the decisions needed in 1994" to deal with what she of each salaried employee's gross called the social security extents.

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For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.

# **Police Raids** In Hong Kong Target Shun Tak

Tuesday raided the offices of Shun International and Tse Sui Luen Tak (Holdings) Ltd., a conglomerate controlled by the Macau casino

Jewellery (International).

News of the raids was or World Trade Center Group Ltd.

More than 120 officers of the Commercial Crime Bureau executed search warrants on about 30 company premises throughout Hong Kong a police spokesman said. Fur-ther raids are planned, he said.

Three months ago police mounted n similar swoop on the Allied Group of companies. The results of that investigation are not known. Police said the Tomson-World Trade Center inquiry was expected to be protracted, concentrating on events from 1990 in 1992. They would not say what offenses were

alleged to have been committed.

enmpanies raided were Rivera Tomson Pacific. (Bloomberg, AFP)

HONG KONG — Police on ternational; Far East Holdings In-

News of the raids was one reason tycoon Stanley Ho. and six other publicly traded Hong Kong companies as part of an inquiry into the affairs of Tomson Pacific Ltd. and Hang Seng component, but trading in its stock and that of the other six companies was suspended before

the opening and did not resume. Shun Tak directors said they were surprised the company's offices had been searched by the police for documents related to the affairs of Tomson and World Trade Center. A Shun Tak spokesman said the company had never had financial inment in either company.

Mr. Ho's casino company, Socie-dade de Turismo e Diversões de Macan, is a shareholder in Tomson, and Mr. Ho was previously nonexealleged to have been commuted.

Sources said the investigation was believed linked to probes ordered by the Financial Secretary Hamish Macleod last year related to a number of property transactions.

In addition to Shun Tak, World Trade Center and Tomson, the affairs of World Trade Center and Tomson Pacific. Illiamber, AFP1 cutive chairman of Tomson and

# Fires Illuminate China's Dark Side Blazes Bring Shortage of Safety Features Into Focus

HONG KONG -Two blazes this month highlight a dark side of China's phenomenal economic growth: Critics say the energy Beijing has devoted to attracting foreign invest-ment has not been matched in its commitment to worker safety.

Just weeks after a fire swept through a toy factory in the southern Chinese boomtown of Shenzhen, another blaze has killed 60 workers in a garment factory in Fujian Province. The fire early Monday in Fuzhon, a favor-

ite investment spot for Taiwan industrialists, was similar to one at the Zhili Handicrafts Factory in Shenzhen that killed 80 people last month. Both fires swept through factories and then killed workers as they slept in their

Both sides are at fault," said Wong Wai Ling a researcher at Asia Monitor Resource Center, a group concerned with workers' rights in Asia. "China is not enforcing rules, and foreign businessmen are ignoring them.

The Fuzhou fire will focus minds a bit more." The latest fire broke out in Gaofu Textile Co. before dawn in a fourth-floor warehouse, according to Chen Hong, a spokesman at the Fujian foreign affairs office. By the time firemen arrived about 25 minutes later, the fire had spread to workshops and some dor-

An official at the Fuzhou General Office, who asked not to be identified by name, said the factory was full of synthetic fibers and the fire took five hours to put out. The initial death toll was put at 60, with 14 other workers injured, he said.

"Of course, that number is rising," the spokesman said. "We've started an investiga-tion. But this sort of thing doesn't happen very often in Fuzhou. Compensation for the workers is still under discussion. This has got

The victims were said to be mostly young women from China's hinterland, a few of the millions who have migrated from inland areas to coastal boomtowns in search of better lives. That kind of cheap labor also keeps attracting investors to China. Workers at the

'China is not enforcing rules, and foreign businessmen are ignoring them.' Wong Wai Ling, Asia Monitor

Resource Center

Zhili factory last month were making stuffed elephants, bears and bunnies in Shenzhen for export and were being paid about 200 to 300 yuan (\$34.50 to \$51.80) yuan a month, the Chinese-language Legal Daily said.

The two recent fires were preceded by a

string of workplace disasters over the previous two years. In 1991, the Dongguan Xingyi Raincoat Factory went up in flames, killing 80 workers. Dongguan near Shenzhen, is a favorite investment spot for Hong Kong basiin Shenzhen caught fire, killing 11. Officials said materials in the factory that should have

been in a warehouse contributed to the blaze. In August 1993, two explosions at a chemi-cal warehouse in Shenzhen killed 70 and injured at least 200. Chinese officials said the chemicals had been improperly stored.

Government officials have appeared reluc-tant to release details of these workplace Weeks after the Zhili fire, People's Liberation Army officers and People's Armed Police still had the site of the burned factory. cordoned off and were barring outsiders from viewing it. Many nearby residents also seemed nervous about discussing the blaze in

the presence of military officers. .Even many of those injured in the blaze, recuperating in a hospital two weeks ago, said they were reluctant to talk to journalists for fear of being sent back to the countryside.

China is not the only country in the region where calamity has struck this year in the workplace. In May, a fire in a four-story toy factory in Thailand killed about 190 people and injured 500, making it one of the worst factory fires this century.

Thai afficials said the high death toll was due in large part to the shoddy construction of the facility. It was owned by Kader Industrial (Thailand) Co., a joint venture of Hong Kong-based Kader Holdings, a group of Taiwan investors and members of the Chiaravanest family which controls Thailand's vanout family, which controls Thailand's Charoen Pokphand group.

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## Very briefly:

India's four main stock exchanges were boycotted by stock brokers in protest a ban on forward trading. Business ground in a halt on the Ahmedabad, Bombay, Calcuita and New Delhi stock exchanges.

Bridgestone Corp.'s senior unsecured debt was upgraded by Moody's Investors Services Inc. to A3 from Baal. Vietness is offering two issues of treasury bonds denominated in U.S.
dollars, its first ever in a foreign currency.

Vietnam will extend its fishing zone in coming years, with the aim of

harvesting two million metric tons of seafood annually by 2000. Chana Resources Enterprise plans a venture to brew and market beer with China's second-largest beer producer, Sheayang Brewery.

Accor Asia Pacific is to manage a Novotel hotel in northeastern China's Shandong province under a \$30 million joint venture with Chinese companies, the unit of France's Accor SA said.

 Airbus ludustrie plans to create an operating unit in China in a move to strengthen its presence in that country.

# To Head Bank of China

China's top officials for Hong Kong has been named head of

ported Tuesday. Wang Qiren, vice director of China's office of Hong Kong and Macao allairs, was identified as the new head of the staterun bank, whose overseas capital is estimated at more than \$110

HONG KONG — One of the appointment of a territorial specialist in such a senior post

mer central bank official and a

pany that is part of the Airbus consortium would risk Boeing's

"The whole process of cooperat-ing is going to be a lot slower than

originally expected," said Peter

# U.S. Divided on Japan Software Copying

By Andrew Pollack

New York Times Service
TOKYO — A group of American computer companies argued Tuesday in favor of a contemplated change in Japan's copyright law many other American companies vigorously oppose.

The break in the unified front of

the American computer industry at a hearing in Tokyo could make it easier for Japan's government to justify the revision of the law.

Many leading American com-puter companies such as Apple Computer Inc., Microsoft Corp.

catch up with American software companies. Washington has adopted this position and has said it views the possible Japanese move with "gravest concern."

But another group of companies, led by Sun Microsystems Inc., testified Tuesday that a revision of law would spur innovation and compe-tition and make it easier for different programs and computers to into the ones and zeroes used by the work together.

The hearing "illustrated in high relief how deeply divided the U.S. and International Business Ma-chines Corp. say the change in the said Peter M.C. Choy, deputy gener-

law would allow Japanese compa- al counsel of Sun and chairman of nies to "reverse engineer" and copy computer programs and help them perable Systems, the group of more than 30 companies that presented the testimony.

> At issue is a process known as decompilation, which is one way of reverse engineering a computer program to find out how it works.
>
> When software is written in a programming language such as Fortran, it undergoes a process known as compilation that turns it computer. Decompilation turns the ones and zeros back into program-

ming language that is understand-able by human beings. Japan's Agency for Cultural Af-

the Ministry for International

role it wants to play in aviation.

The German company bristled

in the summer to consider possible changes to the copyright law, in-cluding allowing decompilation in some cases. After complaints from the United States that committee was conducting its deliberations in secrecy, the advisory committee called Tuesday's bearing for testimony by the U.S. government,

The opponents say decompilation would allow companies to copy a program in a way that would make it difficult to detect: But Sun and its allies say decompilation should be permitted to algrams that work with the hardware nt software of another company.

## Goodman Fielder Ousts CEO

SYDNEY — The troubled Australian fined company Goodman Fielder Ltd. replaced its chief executive officer on Tuesday with the head of its European operations.
Chairman John Studdy said

Michael Nugent had resigned. He was succeeded by Barry Weir, a 17-year veteran of the

company.
"It's good for the company,"
said Andrew Martin, an analyst
at Barclays de Zoete Wedd. "Investors will take it as a positive." Amid a stock market rally, Goodman Fielder shares have risen only 9 percent this year, to close Tuesday at 1.66 Australian dollars (\$1.11), up 3 cents. That compares with a 34 percent rise in the market's broad indicator. the All Ordinaries index, and a 26 percent gain in food and

household-products stocks. .

tures of senior executives. According to internal memos leaked to the press, they were unhappy with Mr. Nugent Goodman Fielder hired Mr. Nugent as chief executive in

Mr. Nugent's resignation

May 1990, and he led a a backto-basics restructuring. Il fol-lowed unsuccessful diversification moves in the 1980s, when Goodman Fielder put its money into leveraged investments. Under Mr. Nugent, it sold unprofitable investments and refocused its strategy around its food business and expansion into Asia. Mr. Nugent's move followed

the ouster on Monday of Cedric Scroggs, chief executive of Fis-ons PLC and of Anthony S. D'Ameto of Borden Inc. last week, both partly in response to lackluster carnings and stock performances.

# Official for Hong Kong

the Bank of China, it was re-

billion, by Ming Pao, a newspa-per based in Hong Kong. Analysts in Hong Kong said

ment and production of an all-ter-

rain vehicle and global sourcing for

In addition to external factors,

'Mitsubisbi's previous commit-

ments have burt the alliance. Mit-

subishi Motors, which is regarded

efficient car engines, for example.

already has a European partner in

In aerospace, Mitsubishi does

Yor its production know-how and

auto parts.

should be viewed as reassuring by the colony's business community, despate the discord between China and Britain over British plans to expand democracy in Hong Kong before handing the territory back to China in 1997.

financial specialist, is expected to take up his new jnb next week, Hong Kong sources said.

## ALLIES: Five Years On, Daimler and Mitsubishi Still Trying to Figure Out What They Can Offer Each Other the bulk of its business with Boeing with ties to Daimler agreed, "Too

Co. Working with a German com- much has been made of the whole thing," said the analyst, who spoke on condition of anonymity. There's really not much to it and no reason to expect there ever will

Boardman, a senior analyst at UBS Nevertheless, Daimler execu-Securities in Tokyo. "It will be fotives say the number of cooperative projects in the longer term is still likely to grow to 30 or 40, possibly cused on small projects, and I don't think it will lead to anything major including joint production of jet litical problems in working togeth-engines and aircraft, which would er in aerospace, but these have not in fact, Mr. Reuter said, "Some in Asia.

Mitsubishi agreed on the number but cast doubt on the possibility of

cooperating in aerospace When you think about building a 700-passenger jumbo jet, you have to think how many you could sell, and you would probably con-

clude it would not be a profitable business." Mr. Eguchi said. "I can't deny there would be po-

dramatically expand the scope of been the decisive factor," he added, the relationship.

Mr. Liener said the Japanese projects will prove feasible, others business establishment, including

unfeasible, while further new projects, of which perhaps no one today has even thought, will gradual-ly be added to the list." Trade and Industry, is unsure what

In addition to the semiconductor accord announced in Berlin, in at the suggestion il has set itself up which Mitsubishi Electric will sell Daimler's AEG AG unit technolfor disappointment, noting that exogy for making integrated circuits, Daimler gave Mitsubishi hoense to ecutives have repeatedly sought to damp expectations. At a speech in Daimler gave Mitsubishi license to Tokyo just six months after their use German automobile recycling

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# THE NEW STATES

# INVESTOR'S UPDATE



10

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Population: 3.4 million (East Berlin: 1.287 million)

Total area: 883 square kilometers (340.8 square miles); East Berlin: 155.6 square kilometers

The union of Berlin and Brandenburg has now been set for 1999. Many preliminary measures (concerning joint business promotion, among others) have already taken effect. Berlin is increasingly serving as a central provider of financial, educational, retailing, and communication and information services for the eastern part of the country and for Central Europe, causing a corresponding growth in the city's business sectors. Some of Europe's major real-estate developments are being carried out in Eastern Berlin, which has also attracted a wide range of consumer and industrial electronics companies. A sign of Berlin's growing popularity: Passenger traffic at its three airports was up 13 percent in 1992. A sign of this city's overwhelming intellectual and artistic vitality: a recent survey found 563 theater troupes either in performance or in rehearsal. For additional information, contact:

Wirtschaftsförderung Berlin GmbH Hallerstr. 3 - 6 D-10587 Berlin Tel.: (49-30) 399-80 0 Fax: (49-30) 3998 02 39



Brandenburg Population: 2.52 mil-

Area: 29,095 square kilometers Capital: Potsdam (pop. 138,000)

Other major cities: Cottbus (123,000) Brandenburg (88,000)

Growth continues to be strong in the "Berliner Ring," the area encircling Berlin, with a number of large-scale business and transport parks already open or set to open in 1994. Commercial vehicles, jet turbines and electronic components are now being manufactured extensively in the region. Increasingly, such small cities as Schwedt, Cottbus, Eisenbüttenstadt and Brandenburg are also proving attractive sites for industrial investment. In this, they have been aided by the founding of a wide range of technology-transfer and investment-promotitutions. Major sectors: paper manufacturing, power generation, chemsteel processing. Frankfurt/Oder and the state's other towns along the Polish border are profiting from transit traffic. Brandenburg's lake and riverine delta districts are now highly popular with summer and weekend residents and with the country's tourists, as is Potsdam.

For additional information, contact: Wirtschaftsförderung Brandenburg

Am Lehnitzsee D-14476 Neu-Fahrland Tel.: (49-331) 96 75 0 Fax: (49-331) 96 75 100



Mecklenburg-Western Pomerania Population: 1.88 mil-

Area: 23,838 square kilometers Capital: Schwerin (pop.: 129,000) Other major cities: Rostock (252,000) Stralsund (91,000)

Major investment projects by both German and non-German companies are transforming shipyards in Rostock-Warnemünde, Wismar and Stralsund into centers of special-purpose and leisure-craft shipbuilding, marine-components manufacturing and marine services. Rostock, long Eastern Germany's principal port, currently handles 10 million tons of goods a year, a figure expected to double over the next ibree years. The port is now also home to a flourishing transport-services business community. The ongoing growth of tourism on the state's 380 kilometers of Baluc coast and six major islands has extended into the state's lake district. Major resorts and spas now dot the landscape. Investment from Scandinavia has fueled the revival of the state's food-processing and light-manufacturing industries, which are centered around Schwerin, Neubrandenburg and Neustrelitz.

For additional information, contact: Wirtschaftsförderungs-gesellschaft mbH des Landes Mecklenburg-Vorpommern Schlossgartenallee 15 D-1906 Schwerin Tcl.: (49-385) 581 39 12 Fax: (49-385) 581 3911



Saxony Population: 4.66 mil-

Area: 18,337 square kilometers Dresden Capital: (480.000) Other major cities: Leipzig (500,000)

Chemnitz (286,000) Saxony's small communities have had a remarkable degree of success in attracting mixed industries and technical-service companies to their newly founded business parks. Dresden now serves as a center for the region's microelectronics and bioelectronics sectors, and for its visual arts and media communities. Leipzig's trade-fair authority has re-established the city's position as one of Germany's leading venues for trade fairs; the city also has a wide range of publishing houses and logistics companies. Chemnitz has added environmental engineering to its traditional array of industries, which include chemicals and electronics. Zwickau (Mosel) is a leading site for automobile manufacturing. Görlitz for rolling stock and mass-transit vehicles. Saxony's traditional industries (porcelain, glass, musical-instrument manufacturing and toys) have consolidated their positions in their respective markets. Dresden and the "Saxon Switzerland" remain prime tourist attrac-

For additional information, contact: Wirtschaftsförderungs-gesellschaft des Landes Sachsen Albertstr. 34

D-01075 Dresden Tel.: (49-351) 5022981 Fax: (49-351) 5023030



Saxony-Anhalt Population: 2.81 mil-

Area: 20,455 square kilometers Capital: Magdeburg

Other major cities: Halle (309,000) Dessau (101,000) Both technology and tourism continued

their transformation of the state in 1993. ChemiePark, located in the Bitterfeld-Wolfen area, bas already attracted around 2 billion Deutsche marks in investments. Along with Halle and Europe's largest and most modern chemical-production and petroleum-refining facilities. The Magdeburg and Halle areas are main centers of plant-engineering and energy-supply equipment. Halle is also a center of econometrics and, along with Dessau, of industrial design and architecture. Many of the state's smaller towns are profiting from supply-ing the materials for the region's building boom. The Harz mountains and such picturesque villages as Quedlinburg are major tourism centers, as are such "national treasures" as the gardens in

For additional information, contact: Wirtschaftsförderungs-gesellschaft für das Land

Sachsen-Anhalt GmbH Wilhelm-Höpfner-Ring 4 D-39116 Magdeburg Tel.: (49-391) 567 43 65 Fax: (49-391) 615135



Thuringia Area: 16,251 square kilometers Population: 2.55 million

Capital: Erfurt (pop.: 257,000) Gera (130,000)

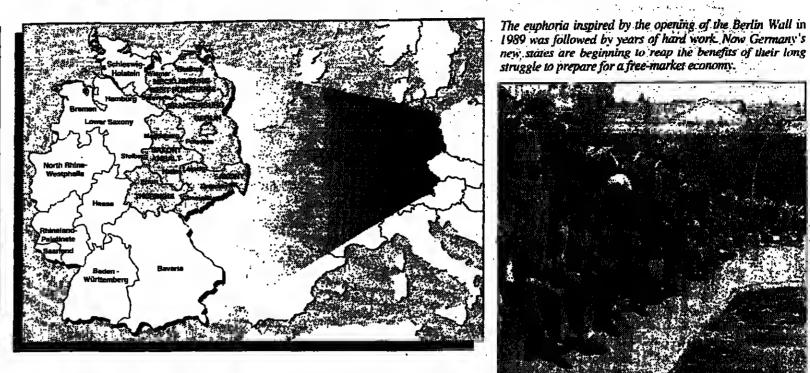
Jena (103,000)

The state's characteristic mix of small high-tech companies is centered around Jena (optics, electronics and precision instruments), Gotha (special vehicles), Sömmerda (PCs) and Erfurt (technical services). Eisenach has, during the past few years, become an internationally recognized center of automotive engineering (Opel, Bosch, BMW and Porsche); Sonneberg, Ilmenau and Hermsdorf of such modernized traditional industries as toys, porcelain, furniture, textiles and glass products. The state's "culture belt" (which stretches from Erfurt via Weimar to Jena) is now increasingly attracting educational, research and technologytransfer institutes in addition to growing numbers of tourists. The Thuringer Wald forest has become a prime year-round vacation area, with a number of sports

facilities and spas. For additional information, contact: Thüringer Landes-Wirtschaftsförderungsgesellschaft mbH Tschaikowski Str. 11 D-99096 Erfurt Tel.: (49-361) 42 92-0

Fax: (49-361) 4292202

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# NEW STATES CLEARLY ON COURSE TOWARD PROSPERITY

Germany's new states nver the past few years. One key arrival has shown nutstanding pro-

gress: economic growth. Overall economic growth arrived to stay in Germany's new states 10

Region's economy has grown by 6.5% in 1993

quarters ago. The first sectors to show growth were construction and skilled trade, with retailing and other services soon following suit. Next, the manufacturing sector managed the turnaround.

And growth is still coming on strong. The region's economy grew at a 6.5 percent rate in 1993: 1994's figure is set to be 7.5 per-

Total turnover in the manufacturing sector is currently up 14.6 percent. by this sector in 1993 are 9 percent higher than the previous year's figure. making 1994 look even bet-

The state-controlled publie-sector economy is long gone. Some 440,000 commercially viable privatesector companies, including 20.000 in manufacturing and industrial services, have taken its place.

The Treuhandanstalt has found private-sector solutions for 13,200 of these companies over the last three incredibly busy years. Only 1.000 companies

There have been a lot of with 120,000 employees nating the land, air and comings and goings in are still left under the agency's control: of those, only 320 companies are without prospective purchasers,

The Treuhand is completing its task, with its main operative phase set to come to a successful end in 1994. It will, however, retain a variety of responsibilities and assignments.

These include administering some 275 billion Deutsche marks (\$160,8 billion) in debts, monitoring investor compliance to the 50.000 contracts concluded with the Treuband, along with another 50,000 involving agreements between the agency and public- and private-sector parties, as well as managing the Treuhand's remaining corporate charges and a range

of other holdings. The Liegenschaftsgesellschaft der Treuhandanstalt mbH (TLG) is going to stay" around in its present form for a good while. The Treuhand's real-estate maridiary still has 70,000 properties on its books. Sales of 4 billion Deutsche marks are fore-

cast for 1994. Other newcomers to the region include increasing numbers of modern buildings, clean-running power plants, functioning telephone booths and flocks of Chinese restaurants and

All told, the top-to-bottom renewal of the region's housing and rolling stock is well over one-third completed. Other leave-takers include a great deal of the pollution formerly contami-

really begins to pay off.

They've paid some very

hard dues, working over-

time to come up with new,

"market-opening" products

and to find teams of capable

managers and distribution

agents. They've committed

large amounts of capital 10

As the figures for indus-

trial sales in and from

Germany's new states show, all this hard work has

been producing results.

Total sales in this sector are

running about 15 percent

above the previous year's,

although those were very

low, I expect increases in

major investment programs.

water of the region.

The time of arrival of one final item is the matter of much speculation. The reconstruction of Germany's new states will be concluded when these states are at the "break-even point, when their output of goods and services generates enough tax revenues to cover the costs of nonextraordinary capital expenditures and of standard pub-

lic-sector operations. This equilibrium will be accorded a heartfelt welcome from the new states, as its onset will represent an end to their financial dependency on their counterparts in the West, who will be equally glad to dispense with large annual net transfers, which amounted to 138 billion Deutsche marks in 1993.

This equilibrium may not be imminent, but it is now appearing on the horizon. According to Germany's federal office of statistics, the region's real net output 13 percent in 1993. At that rate, according to

Erich Gluch, expert on the new states' economy and staff member of Munich's ifo Institut für Wirtschaftsforschung, "It should take at least another seven to eight years for the region to reach the break-even point. Current forecasts are for it to occur between 2002 and

As Mr. Gluch points out, however, the human factor should not be underestimated. "One thing we economists have seen over and over again is how quickly a growing psychological

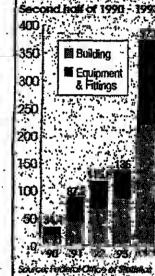
impetus can make our fore-

casts obsolete. And the peo-

ple in Germany's new

states are inventive and highly metivated," he says.... As ifo points out in a recent study, the region's rising output is generated by a growing number of prospering companies. The

TOTAL CAPITAL INVESTMENT IN **GERMANYS NEW STATES** 



industrial sector's turnaround, according to ifo, has been especially pronounced.

In the beginning [in 1990], the portion of stable East German industrial companies was infinitesimally small," reports ifo. This portion has been continually growing and, as of

the third quarter of 1993,

now amounts to 42 per-

cent." As ifo further details, fully 83 percent of all industrial companies in the region have made significant progress toward solving their two key problems: how to set up productive, profitable faternal structures, and how to sell their

products successfully. Symbol and guaranter of this newfound stability is a corresponding rise in productivity. As of the end of 1993, per capita output in Germany's new states amounted to 42,300 Deutsche marks - up 9.5 percent for the year and up 69 percent since 1991 - but still only 43 percent of Western Germany's worldbest average:

The 1993 frigure does, however, put the new states well above those recorded by over half the EC's other member countries.

When output from recently built automobile or paper factories is used as a benchmark, the region's tivity is equal to or even higher than that of its Western counterpart.

Doubts about the states' future seem to have vanished. "I think everyone asked themselves at some point 'Is it possible, will it take place?"," says Bernard Veltrup, senior official in the federal ministry of economics' central coordinating board for Germany's new states.

Mr. Veltrup adds. "Three years later, at a large cost of money, time and especially of patience, we have now laid that question to rest."

4.5

# HARD WORK PAYING OFF, SAYS ECONOMICS MINISTER

Günter Rexrodt is 52 years old and has been Germany's minister of economics since January 1993. After studying husiness administration and earning a doctorate, Mr. Rexrodt began his career at Berlin's Chamber of Commerce and Industry in 1968. From 1985 to 1989, he served as the city-state's minister of finance. After holding senior positions at an international bank, Mr. Rexrodt was n member of the Treubandanstalt's board of managing directors. In this interview, he discusses the outlook for German's new states.

First came the founding boom, in which hundreds of thousands of companies were founded in Germany's new states. We're now witnessing a construction boom in the region. What major developments do you

see in the offing for 1991? Not a boom, but a tide of black ink in the industrial sector, assuming a good measure of support from the international economy, Many of the industrial companies founded or privatized during the first two years have been operating on a near-break-even or a break-even basis in 1993. A good number, of course, have been turning in solidly profitable performances. 1 think 1994's going to be

the year these companies'

'There's been nothing sudden about the growth in the East'

turnover to be matched by those in profitability in

In any case, I don't feel that the term "boom" is appropriate. A number of businesses in the region did register double-digit growth in 1991 and 1992. For the last two years, it's been the construction industry's turn to grow quickly. People look at these glamorous figures and declare these developments to be booms.

I see the months and months of painstaking preparation and planning and fine-tuning that has alone has created some els were hunched in this aggressive niche players. hard work and struggling



Günter Rexradt, federal minister of economics.

gone into all of this. There's been nothing sudden about the growth in the East. And it certainly hasn't come either cheap or easy.

Will this industrial growth have a spill-over effect on employment? Not directly. One reason

the region's industrial companies are recording gains in earnings, productivity and output is that they've pared their work forces to the bone. For the last two years, on a one-to-one basis, people losing their jobs in the industrial sector have found work in the skilled trades and services sectors. That's why unemployment, although toohigh at 15 percent for the region, has at least not been

getting substantially worse. The skilled-trades sector

400,000 jobs over the last three years. Business transacted by this sector has increased over the last three vears. An increasing portion of this business is being generated by these ultra-lean, locally based industrial companies, which are outsourcing everything from routine facility maintenance work to computer systems operation.

That's where I see a new wave of job creation. Not in industry itself, but in industrial and other technical ser-

Referring to the wide variety of sales promotion measures undertaken by the public and private sectors in Germany's new states during the year, a local business jaurnal recently labeled 1993 "the year of the market makers." Da yau find that an apt description?

For the year, yes, and for the market itself, no. In. 1993. Germany's largest companies set themselves ambitious goals for purchases of goods and services from the new states and met them, by and large. The region's municipal and state agencies also dramatipurchase totals and percentages. The federal government and its various authorities have always been active promoters of exports from the new states, and a number of financing mod-

regard in 1993. This all was 'marketing assistance." however, not market mak-

The market didn't have to be "made" because it's always been there: 16 million consumers with considerable purchasing power. A large number of local consumer goods producers and retailers are doing well serving this market

Capital expenditure has also been making this market into one of the largest in the world for investment goods and other tangible fixed assets. This market has been the venue for 373 billion Deutsche marks in

purchases of these items. For a large number of international companies, this market is therefore already made: it has come to be an indispensable prof-

it center. A recavery in Germany and in Western Europe is predicted far some time in 1994. Haw will Germany's new states prafit from the past-recession era in

Germany and in Europe? Whether the economic expansion sets in at the beginning or the middle of 1994, one thing is already cally improved their local, clear. The era of unstable, quick-moving markets and the companies able to serve them - is here to stay. That's fine with companies in Germany's new states. Few regions in Europe have so many small, highly

ADVERTISING SECTION

The low Too. Has Bottom!

KEY INDUSTRIES REPORTING SHARP RISE IN PRODUCTION

Industrial production in Germany's new states has grown by 14.6 percent in 1993.

The growth leader is the building products sector, eurrently expanding at a 65

Building products shows 65% rise

percent annual rate. Several key industries are contributing to this growth and serving as role models for the economy as a

In 1992, the printing industry in Germany's new states showed a 20 percent rate of growth, generating 1.94 billion Deutsche marks (\$1.13 billion) in sales. This year's growth has moderated to 7.8 percent. The industry's paper comes from the region and its new, environmentally friendly producers; its products are locally read newspapers and books and locally printed airplane tickets and computer paper.

Each day, some 5.14 million copies are printed of 36 daily newspapers in Berlin, Leipzig. Dresden, Magdeburg and a dozen other cities in Germany's new states. These are then read, pondered, and discarded, oining shoe boxes, cardboard boxes, notebooks and greeting cards in recycling

Bundled into trucks and railroad cars, a good portion of this refuse is now being conveyed to Schwedt, Brandenburg, a

town on the Polish border m northeastern Germany. There they form a small part of the 300,000 tons of recycled paper expected to be produced every year at Haindl GrabH's 700-million-Dentsche-mark plant, which was commissioned in July. No matter where they start their lives, sooner or later, nearly all of Eastern Germany's current paper products will make the trip to Schwedt.

The Haindl plant's raw materials will be the paper and cardboard refuse of 7 million people - over half the adult population of Germany's new states, according to Wolfgang Oberressl. spokesman for the Augs-

burg-based company.

After its reincarnation in Schwedt and other recycling and production sites in Germany's new states, the paper makes its way to such print sites as Wechmar, Thuringia, where Bartsch GmbH, a Munichbased company, has set up a major computer-form and airline-ticket printing operation, or to Suhl, where Munich's Süddeutscher Verlag has just commis-sioned a facility for the publishing of a range of regional newspapers, or to three dozen other similar

Many of the items produced at these sites are printed by machines from such thriving local produc-ers as MAN Plamag of Plauen, Saxony.

operations.

From start to finish, this exercise in self-generating

Development planners

\_\_\_ Independent commercial

call it "reindustrialization"; for others, it's "reculturalization." With a firm eye on the bottom line, foreign investors see the changes taking place in the region as a very good business opportunity. As long as wages are lower in the new states. money is going to be made

growth is making nearly

One group is not joining in the paeans of praise. "We're surviving, but cer-tainly not flourishing," is how the managing director of one small publishing house in Leipzig puts it. There are 160 publishing houses in the new states. All told, they have realized a modest growth of 8 per-cent in sales over the last three years. "Publishing is a hard business every-where," reflects the book publisher, taking the broad

Vehicle manufacturers in Germany's new states, bowever, have nothing to complain about. They share one sterling statistic: In the second year of a worldwide recession in their sector, local producers are recording sales some 44.3 percent higher than at the same time last year.

Aside from that, this unimaginably mixed corporate community bas only one other thing in common: their products have rubber wheels.

The "rolling stock" of the Golfs manufactured by VW in Mosel, Saxony and the Vectras and Corsas made by Opel in Eisenach. Thuringia share the characteristics of four wheels and standard size and weight. Double-sized wheels -

and two to three times as many of them - convey Mercedes Benz's trucks, which are turned out in its plant in Ludwigsfelde, Brandenburg, and Omnibus

A new Opel being built in Eisenach, Thuringia, which has become a major automotive engineering center, GmbH's Metroliner buses. made in Plauen, Saxony. Four wheels, ultra-small and ultra-light, convey the electric cars being manu-Subler Fahrzeugwerke-Hotzenblitz GmbH. The company's initial production of highly advanced, battery-

out Germany. Four ultra-rugged wheels underpin Mahindra's Jeeps. Put together in Werdau. Saxony, these "World War Il original Jeeps" are amalgamations of "original and original-new" parts, as the management explains. "We get our parts anywhere we can find them," says a spokesman for the India-

factured by

powered cars has been

making headlines through-

based company. Varying numbers of wheels with an unimaginable variety of sizes characterize the vehicles produced by the region's 53 (at latest count) other vehicle manufacturers. These vehicles have one other thing in common: they don't carry passengers.

Multicar's small, highly adaptable "municipal vehi-

cles" do everything else. however, such as sweeping sidewalks, plowing snow and moving earth. This highly successful company is located in Waltershausen, Thuringia. The region's other vehicles' "highways" are factory floors, where they transport parts, or large-bore sewage pipes, which they clean from the inside. These vehicles frequent flooded stadiums and schools, despoiled landfill sites and coal tailings.

There are literally hundreds of kinds of these special-purpose vehicles. Each of them is produced in very small runs. And that is precisely why the region's producers have flocked to them, according to Heinz Wiedenhöft, automotive engineering expert at Ger-many's federal ministry for economic affairs.

'These producers' traditional mass markets suddenly disappeared, and they were forced to restructure. Mr. Wiedenhöft explains. "These relatively small companies can afford to specialize in low-volume

# What's Been ACCOMPLISHED

 As of September 1993, there are 440,000 commercially viable companies now operating in the new states.

**GERMANY: THE NEW STATES** 

· A total of 28.65 billion Deutsche marks (\$16.8 billion) had been invested in telecommunications lines and facilities as of December 1993; 2,28 million telephone connections have been installed, bringing the total to 3.84 million, with an additional 5.1 miliion planned for 1994-97.

 Around 38 billion Deutsche marks have now been spent on land-and water-based means of transportation. Over 2,000 kilometers (1,242 miles) of rail track have been modernized, of which 650 kilometers now have electric lines. Over 6,000 kilometers of highways and roads have been modernized. and 110 kilometers of roads have been built or widened.

 Over 13,000 companies have been priva-

30,1993). This has produced revenues of 44.7 billion Deutsche marks and investment commitments of 182,37 billion Deutsche marks: 1.49 million jobs have been guaranteed. Over 8,000 companies have been reprivatized.

• Investments in the region's structures and capital goods now total 373 billion Deutsche marks, with 136 billion Deutsche marks invested in 1993 alone.

 Of total investments. 152 billion Deutsche marks have gone to capital goods and 221 billion Deutsche marks to buildings. The private sector has been responsible for 113.2 billion Deutsche marks in investments. Of that total, 89.7 billion Deutsche marks have gone to productive facilines and 23.5 billion Deutsche marks to residential quarters. In the states as a whole. I.S million apartments and houses have been renovated and

tized by the Treuhand-

modernized, one-quarter anstalt (as of September of the region's total.

# **CONSTRUCTION INDUSTRY** BOOMING THROUGHOUT REGION

After years of generous

It constitutes an indispensable pillar of support for local economies and a vital profit center for the recession-plagued international construction sector.

Construction up 40 percent in 1993

The boom is engendering a cornucopia of high-rise office buildings, sprawling shopping centers and largescale industrial parks in the region - as well as "human scale" residential developments.

Viewed in its constituent units - television sets, sales dollars, Dow Jones points there is nothing very exciting about a boom. But the construction boom in Germany's new states represents an exception, due to the nature of its units - the structures in which people live and work.

This year, construction is up 40 percent in Germany's new states. In the housing sector, new orders are 100 percent higher; this sector had, however, been a laggard in the region's first two years. Investments in construction, which fore-shadow construction activity, have amounted to 85 billion Deutsebe marks (\$49.7 billion) in 1993, up 26 percent over 1992.

In a November 1993 report, Munich's ifo (Institut für Wirtschaftsforschung) set the amount of construction-sector investment required in the region at around 2.1 trillion Deutsche marks over the next 11 years. The actual levels of investment, as ifo also pointed out, will depend on public-sector budgets and private-sector interest.

Well over 30 percent of the new states' residents live in apartments that were modernized during the last three years, with another 400,000 people living in newly built or newly purchased houses or apartments. Virtually all the region's residents now shop, work and pursue leisure activities in structures that are pleasing and healthy to

closed real-estate funds alone in 1993. Prime objects of investment: new projects in the East.

While Germany's private last three years. He has also investors rush to take advantage of the spectacular tax savings still offered by the new states' accelerated depreciation tables, internaoonal financial and corporate heavyweights are also increasingly muscling into the region. The very latest of many examples: East Berlin's "Hofgarten am Gendarmenmarkt."

Announced in mid-November, this 550 million Deutsche mark project will be completed in 1996 and involves the restoration of three historic buildings and the construction of five new ones. Its developer is a Texbuilt environmentally compatible apartment complexes for the socially disad-For future critics of ar-

chitecture, the great con-struction boom of the 1990s in Germany's new states will evoke images of largescale projects that restored a buman scale to the region's cities. At the moment, the his-

toric cores of Brandenburg. Güstrow, Stralsund, Cotthus, Naumburg, Halber-Weimar, Jena, Mühlhausen, Meissen and Görlitz are being redeveloped.

All these cities flourished in the Middle Ages, a time when most people went about their daily business on foot. In an automobileridden era, the idea of the walkable, knowable neighborhood is both modern and desirable, and it is the key concept behind a number of other major projects initiated by the building ministry in the region. In contrast to the "model

cities" program, the "experimental city life and planning" program - funded by the same ministry - is focused on employing highly advanced construction materials and technologies to cut building costs.

Designed by such archi-tects as Finland's Pertti Solla, the program's look is decidedly postmodern. The goal, however, as a glance at a program site in Dessau reveals, is the same in both programs: to construct livable housing by creating lively neighborhoods. Nowhere are there more

of these neighborhoods and nowhere will the construction boom be more enduring than in Berlin, itself the traditional home of the "garden city." the prototype of these programs.

The city-state of Berlin has committed itself to huilding 100,000 apartments by 1995, most of those in the east, in such socalled "new-age garden cities" as Kurow, Oberhavel, Altglienicke and Falken-

berg. All told, some 4.000 individual areas in Germany's new states have been restored or built through such urban-renewal and planning programs.

The authorized lending

total of the Kreditanstalt für Wiederaufbau (KfW) public-sector development bank has recently been raised to 60 billion Deutsche marks. Of these credits, 10 billion Deutsche marks have been reserved for the modernization of the mass-scale residential complexes built in the former East German era. For the region as a whole, the KfW has already authorized 18 billion Deutsche marks for 340,000 living unit renovation projects.



# BRINGING THE NEW STATES UP TO DATE: THE TRACK RECORD

judge the progress of economic integration, especially in view of the makeor-break nature of the subject - the current state: of the corporate sector in even-handed in coverage, Germany's new states and the very large sample to choose from - a total of 440,000 viable "commercial units" including 100,000 medium-sized and large companies.

Half of the companies in Germany's new states judge their current levels of

## Investor reaction is generally positive

turnover and production as being positive, and roughly one-quarter as negative. according to a poli conduct-ed in November 1993 by Cologne's Institut der deutschen Wirtschaft. Half expect these two items to rise further in 1994; onequarter say they will remain stable. Forty-two percent of the companies contacted say they have an adequate to superior level of profitability, with the same number foreseeing an improvement in profitabili-ty in 1994. Forty-seven per-cent expect profits to remain at their current level.

Employment is a big problem and is going to remain one. Only 9 percent of the region's companies believe they can maintain the current levels of their work forces, much less hire more staff, and only 33 percent expect the overall employment situation to stay the same or get better hy the end of 1994.

Not surprisingly, inves-tors are quite bullish about these companies' continued prosperity. An authoritative study recently conducted by Price Waterhouse found that 78 percent of all investors who had purchased privatized companies in Germany's new states were "moderately to very satisfied" with their decision. An overwhelming ating officer of Kathrein-86 percent would do it Werke KG, a Bavarian-

Three years is enough to again. Studies of greenfield investments generally put the figure of investor satisfaction at between 65 percent and 80 percent.

Comprehensive in scope, these studies do have one limitation. They deal only with the ongoing operations of existing businesses. They have not (as yet) surveyed the investors' reactions to what is involved in setting up a new business or facility in Germany's new states: the costs and availability of real estate and labor, and the "rules of thumb" for getting through the

approval process. These areas are precisely where conditions have been changing most rapidly. A recent canvassing of companies currently setting up facilities and subsidiaries in Germany's new states came up with some rather heart-

ening findings. Developable land is now very reasonably priced. According to Ring Deutscher Makler, undeveloped sites in Germany's new states now cost an average of 60 percent of those in the West, putting them at the level of such West German areas as northern Lower Saxony, the outlying areas of the Ruhr district and the western portion of the Rhineland-

According to investors who have just completed a "site search," this land is also widely available. Not only does this availability speed up the "site search" process, it is also belying investors avoid problem areas of the past.

There is such a selection of industrial parks in Germany's new states that such past issues as restitution or scarce real estate just don't come up any more. Business sites are freely available, as long as you're not looking for a downtown site in such cities as Dresden or Leipzig," says Harald Maroldt, chief oper-

based building and communications equipment manu-facturer. "Like anywhere else, top-grade sites are at somewhat of a premium in the new states.

Often the developer is the local community itself. "Our site was purchased for us by the city government itself, which took care of everything from infrastructure to permits," says Wolfgang Oberressl of Haindl GmbH, an Augsburg-based paper pro-

Local communities are getting high marks from investors for the promptness and comprehensiveness of their assistance, and for their interest in securing outside investment. As Mr. Maroldt points out, however, there are limits to this

"By now, there are enough exurban hypermarkets in the new states, and I don't think most communities are particularly interested in attracting more of them," Mr. Maroldt says, adding: "But they're very interested in securing highvalue-added jobs, especially. those created by industrial

Setting up "fast tracks" for investment plans has been the top priority of all ministries of economic affairs in Germany's new states over the last three

According to investors contacted, the ministries have succeeded. As the Cologne survey discovered, "through times" - the time from initial submission of project plans to the receipt of official permission to go ahead - ranged from three months for a small electronics factory to 18 months for a major business park. These times were generally pegged at "one-third" of those standard in Western Germany.

One British energy-sup-ply executive sums it up: There's a general sense of urgency, of pressing economic problems requiring immediate attention."

The construction boom pump priming and exten- was neither sudden nor sive fine-tuning, the con-self-starting. It took several struction sector in Ger- major laws on restitution many's new states is tak- claims and environmental accountability, plus hundreds of incentives, subsidies and tax breaks (all costing Germany's tax payers billions of Deutsche marks) to get this boom moving, and the creation. equipping and staffing of an entire system of administration to get it into high

> Germany's trade papers were announcing "no clearcut path to a full-fledged boom." Sometime in late spring, as the figures for annual investment and output edged higher and higher,

As late as spring 1993, the headlines shifted to



Linking up: Over 2,000 kilometers of rail track have already been modernized.

During the last three years, nearly everyone in the country has been trying 10 do just that Besides the region's residents and its local skilled trade and building-supplies sectors, beneficiaries have included international construction companies, for whom the region is a bright spot in a

The boom - and how to

profit from it."

yield-hungry investors. The Süddeutsche Zeitung reports a 125 percent rise in

dismal global picture, and

an, Gerald D. Hines. Its owners include seven major German banks, a Canadian hotel chain, German industrial companies and various other investors.

Rapid industrial growth in any sector spawns tycoons, and the new states' construction industry is no exception. Vying for the ti-"Eastern Germany's Donald Trump" is Dr. Jürgen Schneider, who has acquired and restored five of Leipzig's most historic and

They are, however, not receiving the vast new civic centers or high-speed arteries that are generally the fare of such developments. In fact, except for state-ofthe-art infrastructure, they are not receiving anything modern at all - at a cost of 2 billion Deutsche marks.

In a "model cities" program, largely financed by Germany's federal ministry of construction, these cities are being restored brick by brick, block by block, to the beautiful buildings over the extent that budgets allow.

# **GERMANY: THE NEW STATES**

# RESULTS-ORIENTED HIGH-TECH COMPANIES THRIVING



lic-sector research institutes in Germany's new

The region has 11 Max Planck and Max Plancksupported institutes, 28 Max Planck working circles, 22 main and branch

1.76 billion DM for research

Fraunhofer institutes, three large-scale research centers. and 50 technology-transfer institutes, along with 32 other federal- and statefunded facilities and 36 universities and polytechnic institutions that are conducting basic and applied research.

Not including the universities' staff, these institutes employ some 12,500 people and have a combined annual hudget of 750 mil-

(\$438.5 million), figures comparable to those in the West, according to Paul Krüger, Germany's federal minister for research. All told, his ministry has allocated 1.76 billion Deutsche marks for research activities in the new states. Nor do these institutes

lack media attention. Berlin's Max-Delbrück Center for Molecular Medicine and its revolutionary, commercially viable bioelectronic sensors have been staple items in both business- and scienceoriented media in Germany, as have the ultra-thin, ultraefficient "soft magnets" developed by Dresden's IFW institute.

The occasional confusion in the media stems from the fact that there are so many "Forschungs-GmbHs" -180 at the latest count -

and that their currently perilous financial situations and promising technological developments alternate in grabbing the nation's headlines. Joining the research companies in their high-stakes balancing net are their hosts, such technology parks as Berlin's Adlershof, Dresden's ZMD (Zentrum Mikroelectronic Dresden GmbH), Erfurt's MAZeT (Mikroelectronik-Anwenderzentrum Thüringen) and Frank-furt/Oder's TUSAFF (Trainings- und Serviceagentur Frankfurt/Oder), to mention but a few.

Also serving as homes to public-sector research agencies, these parks have a bewildering number of roles - landlord, service company, equity provider and market-based corporation - and one common objective: to preserve and develop the region's scien-

tific capital. In the former East Germany, researchers were employed by the country's various academies of science and research and by its Kombinate (vertically integrated public-sector industrial trusts). The academies have been transformed into such public-sector institutes as MDC and have retained about one-quarter of their researchers. The premises of the former Kombinate have often become technol-

ogy parks. Armed with some | billion Deutsche marks in nublic-sector support, the other three-quarters have grouped themselves into socalled "research corporations" or have been employed by local and international companies or have struck out on their own. According to a late autumn 1993 study by Prognos, there are a total of 2.000 companies in Germany's new states that

The Jenoptik plant in Jena, one of many high-tech operations working with universities and research institutes to develop new products, is known for its precision craftsmanship. developing and marketing pany's technique for warm-of technologies. As the glass soldering in microreport points out, most of them are equipped with what the report terms "low of capital amounts"

resources. This high-pressure financial situation has nevertheless produced a number of technical innovations in a very short time. Some examples: Beschichtungstechnik Chemnitz GmbH, which consists of four engineers and has already made one major breakthrough: Its titanium nitrite coating increases the working life of machine tools by 300 percent to 400 percent.

Scientists at MAZeT have developed the "multiproject wafer" that, by allowing various kinds of chips to be produced at the same time on the same wafer, reduces chip-manufacturing costs by 66 percent to 85 percent. And GEFEMA in Schmalkalden, Thuringia has come up with a new generation of highly permeable, fastworking membranes that filter out oil pollutants from

flowing water. Some of these products are esoteric and still experiare primarily engaged in the mental, including one com-

glass soldering in microelectronics; others are eminently practical and already popular

Geraberger Thermo-meterwerk GmbH started marketing a new kind of fever thermometer in early July. It is the first of its kind to dispense with mercury. The company, which also manufactures electronic thermometers and other measurement devices, exports 70 percent of its products and has been in business since 1876 - the last four decades as part of a Kombinat.

Many of these products are the result of close working arrangements between local companies and universities or polytechnics. In-Jena, Jenoptik GmbH (one of the successor companies of Carl Zeiss Jena), the works like a space-age institute for physics-based high technologies and Friedrich Schiller University's department of physics have joined forces to produce a laser-based photoetcher. Its product: microstructures used as the layouts for optical and microelectronic devices.

Other high-tech products have been developed. through joint ventures. Owned by Mainz's Schott Glaswerke and Japan's Asahi Glass Co. Ltd.. Schott-Asahi-Micro-Float is also based in Jena. The company has come up with the world's first "microfloating" production facility for borosilicate glass. Using this procedure, the company is manufacturing fireproof glass for building acades and ultra-high-performance plate glass for

household devices. Meonic Entwicklung und Gerätebau GmbH in Erfurt has come up with something really practical, in addition to "smart card" readers that can be incorporated into normal typewriters, this 24-engineer-strong company has come up with an "automatic CD vendor." This device looks and rukebox.

After seeing and hearing their potential choices, purchasers select their CDs. which then emerge from the device after payment has been made. The product's advantage: "I'll never have to put up with shoplifting of CDs again," says a music-store owner in

# **USEFUL ADDRESSES FOR INVESTORS**

• Federal Ministry of Economics/Berlin Office Foreign Investor Information Center (point of contact for non-

Unten den Linden 44 - 60 D-10117 Berlin Tel.; (49-30) 399 85 100/101/461 Fax: (49-30) 399 85 235

Contact: Helga Manneck or Ken

Bremer First-stop information on economic and social conditions in Germany's new states and the region's individual sectors and areas, along with detailed briefings on financing and personnel start-up.

 Treuhandanstalt Detley Rohwedder House Leipziger Strasse 5 - 7 D-10117 Berlin For general information: Tel.: (49-30) 31 54 10 37 Fax: (49-30) 31541036 Investors hotline:

Tel.: (49-130) 82 84 81 (toll-free inside Germany) Fax: (49-30) 25 15 184 The agency overseeing the region's

German investment in the new privatization program. TLG Treuhand-Liegenschaftsgesellschaft mbH Alexanderplatz 6

D-10178 Berlin Tel.: (49-30) 31 54 70 00 Fax: (49-30) 31 54 76 04 Investors' hotline: Tel.: (49-30) 31 54 7157 Fax: (49-30) 3154 7447 Rcol-estate orm of the Treuhand. with on extensive portfolio of prime properties.

 Deutsche Ausgleichsbank Berlin office Sarrazinstrasse 11 - 15 D-12159 Berlin Tcl.: (49-30) 85 0 85-0 Fax: (49-30) 85085-298 Funds. through the ERP program, company start-ups, environmental

measures. Provides sureries for companies seeking credits of up to DM 20 million. (For sums larger than that, see below.)

KfW Kreditanstalt f

ür Wieder-

 Treuarbeit AG Auf m Hennekamp 47 D-40225 Düsseldorf Tel.; (49-30) 3 39 41

aufbau/Berlin office:

and from the EC.

Internationales Handelszentrum Friedrichstrasse 95 D-10969 Berlin Tel.: (49-30) 26 43 20 65 Fax: (49-30) 2643 20 84 Central investment support institute of the federal and state government, funding company start-ups ond capital improvements through the ERP and other credit-dispensing programs. Extensive computer-based financial consulting services on all investment incentives available from the federal and state governments

# **GREEN SHOOTS FROM** BROWNFIELD SITES For the past three years, trial facilities, numbledown

Germany's new states inner-city blocks, decaying seem to have produced a port buildings and decom-

Local governments have been rushing to equip former agricultural land with all of the infrastructure and other up-to-date services

Overall quality of life is improving

required by modern busi-

Not all of the final products are of high quality and not all of them will attract enough business to survive, but enough seem to have a promising future that will help alleviate the new states' current real-estate crunch. And many of these greenfield sites have in fact become thriving greenfield developments, such as Horsham's Brandenburg Park south of Berlin, a million-square-meter transport. retailing and light-industrial complex, and Saale Park, located near Halle.

Three years ago Germany's new states had an ample stock of brown-

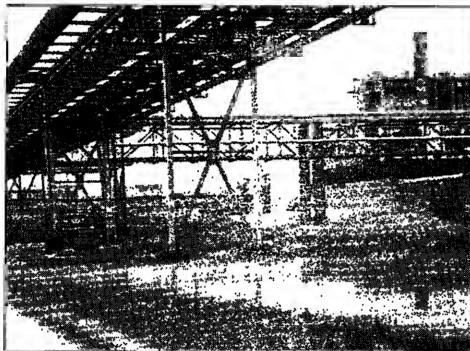
field sites - outdated indus-

missioned military complexes that were "brown" because of four decades of economic and environmental mismanagement.

Today, the region has lewer brownfield sites and many brownfield developments.

Many seem to have been transformed by magic. A rotting Soviet Army barracks became an ultramodern publishing center in Dresden. A condemned neighhorhood in Bautzen was rejuvenated into a Jugendstil inner-city mall. The near-derelict "outbuildin Rostock-Warnemünde's port district were transformed into a "pon park." An abandoned gravel quarry in Ouendorf-Okrilla emerged as a fullfledged park for the manufacturing and distribution of building products. An outdated chemical Kombinat (vertically integrated public-sector industrial trust) in Bitterfeld was reworked into a 2 billion Deutsche mark (\$1.16 billion) location for leading-edge manu-

In fact, as Dieter Ambros,



Former brownfield sites are becoming up-to-date manufacturing centers.

chairman of Chemie AG. the company developing Bitterfeld's ChemiePark. points out, no magic is involved in these processes.

Dr. Ambros points out that it cost local, state and federal authorities "several hundred million Deutsche marks of up-front money and three years of constant marketing and problemsolving" to attract Bayer AG, Heraeus and 158 other large and small companies to ChemiePark's 591-

Stakes like these make brownfield development a high-risk but potentially very-high-rewards game. For Bitterfeld, once associated with the worst of Europe's environmental problems, brownfield development has brought a viable business base and. not incidentally, a livable environment

To attract businesses and their executives to Bitterfeld, Chemie AG and the

hectare (1,460-acre) site. city have completely revitalized and replaced local power-supply and infrastructure systems, as well as engaging in extensive land reclamation, "greening" of the local environment and inner-city restoration.

The result is impressive: a 12-fold drop in the city's levels of air pollution, a sharp improvement in the water quality of lakes and streams, and "an acceptable, pleasing quality of life," says Dr. Ambros.

# DESIGNED TO SELL – AND TO ATTRACT GLOBAL ATTENTION

about in the international

Last year, it was the insides of Foron's refrigerators that made the world's

Home of Bauhaus still supports design

newspaper headlines. By dispensing with ozone-depleting CFCs, refrigerators made by DKK Scharfenstein (as the company was commonly known in those days) would help save the ozone layer.

This year, it's the refrigerators' exteriors that are inciting headlines. Foron Unternehmensbeteiligungen GmbH's offerings differ from conventional ones in an important way: their shape.

"Refrigerators in the round" is how Die Wirtschaft, the authoritative economic weekly, rather inaccurately describes them. The refrigerators are actually cylindrical. In their interiors, all shelves reportedly pivot, an effort to put

Product design in an end to time-consuming the oldest in the region. Germany's new states is games of food hide-and- One was located in Leipzig. conventional refrigerators. This striking combination

of the highly imaginative and highly practical is characteristic of the (literally) thousands of new prod-

ucts coming out of

the region's design studios being and manufactured by local companies: recent exhibition organized by the Internationales Design Zentrum Berlin showcase product design from tbe region dis-. 137 played innovative

items now in daily .use. range They from entire mass-transit systems to dishes for use by the handicapped. Exhibitions

like this one have been triggering headlines of their own. "A boom product design in the new states and not just on paper" is the lead in the current issue of Form, Ger-

many's leading journal of design. This boom was born in the region's six design institutes. As the article points out, the number of design students and graduate designers in the region has reached an unprecedented level, as has the number of

products they are creating. The region's industrial design sector is not new. but rather as old as its industrial production - or even older.

In 1763, the Elector Friedrich Christian of Saxony, just one in a long line of artistic and practicalminded rulers in the king-dom, simultaneously founded two schools of design,

merchants, and the other in its rival. Dresden, the city known for its fine smithery

and other precision crafts. Fittingly enough, the region's newest design institute has been located in

Dessau. home of the Bauhaus and thus of the birth of modern design itself. Even more littingly, the new institute is housed in the Bauhaus's former school of commercial design. Not that

design died out during the four decades communism in Eastern Germany. Even during the so-called "Trabbi era." named for the small, ubiquitous East German car, Halle's institute of art and design - nicknamed the fortress' because of its fortified

New industrial design: a high-tech cabinet.

venue – enjoyed international reputation. It has retained this global prestige in the post-unification period.

Western students have been flocking to gain admission to the "fortress" - a difficult affair at best, in view of the competition.

One difference between now and four years ago," according to one local designer, "is that four years ago, our best designers would head west, sooner or later, because of the opportunities to realize their

Today, they're staying here - and working for clients in both the East and

# UPDATE: PROFILES OF INVESTORS AND INVESTMENTS

As of September 1993, the public sector had furnished 42 billion Deutsche marks (\$24.56 billion) in public-sector grants, credits and sureties and 15 billion Deutsche marks in tax easements to 346,000 corporate start-ups, privatiza-

Entrepreneurship is alive and well - and profiting

tions, extensions and reprivatizations in Germany's new states. These projects involve a large amount of overall investment in the region: a total

of 189 billion Deutsche marks as of the end of September 1993. If you are one of 1993's 70,000 new, viable additions to the region's corporate community, you will probably already have 12 employees (you had five in 1991) and you can expect to have an annual turnover of 1.6 million Deutsche marks this year (compared with 400,000 Deutsche marks in 1991). If you form part of the 50 percent of all companies

receiving investment support, you will

receive an average of some 460,000 Deutsche marks in such aid (and will have received 350,000 Deutsche marks in

1991). You have been getting your money a lot faster this year than in 1991, too. Some examples: In autumn 1991, fivesixths of all applications for ERP (European Recovery Program) funds were processed by the Dentsche Ausgleichsbank within 40 days. Today, it takes five days. In autumn 1991, only 28 percent of all applications for funds from the EKH (Eigenkapitalhilfe, or equitycapital assistance) program had been approved within 20 days of application

arrival. Today, the figure is 70 percent. Roughly half the companies founded in the new states are in the retailing and tourism (hotels and restaurants) sectors. with the skilled trades accounting for 10 percent and the manufacturing sector only 5 percent. The latter, however, has been getting the lion's share of investments - well over half of cumulative

Germany's new states was recently made Berlin's Veag Vercinigte Energiewerke, a company refounded after German unification. The power sup-plier allocated 15 billion Deutsche marks for the building of three power plants. The first is to be put into operation in 1997, the others by 2000. The plants are fueled by lignite from the region and will provide the new states and parts of southern Germany with power. The local share of orders is expected to amount to 10 bil-

lion Deutsche marks. The largest overall investor (28.65 billion Deutsche marks as of December 1993) and job-creator (110,000 jobs, created directly and indirectly) remains DBP Telekom, the nation's telecommunications authority.

The most intriguing investments may well be those of the Lehmann group. which produces yachts. The company began yacht production in 1990 in Grossleine, Brandenburg, where the nearest body of water is 30 kilometers (18.64 miles) away - and is a lake. The vachts The largest single investment in are made out of ultralight aluminum-clad

carbon fibers developed for space systems. The group is run by an East-West partnership. Fritz Lehmann (from the East) is a ship-builder, Gerhard Heinz (from the West) an aerospace engineer.... The partnership has now acquired

another yacht-building yard (this one on a: local canal) and has founded engineering offices for the development of composite materials and environmental services, including the marketing of a revolutionary photovoltaic cell invented by two of the group's engineers, who were formerlystaff members at East Germany's Academy of Sciences.

The group is highly successful. Initially, Mr. Lehmann and Mr. Heinz. raised their operating capital by mortgagng their own houses. In 1991, according to Impulse, Germany's authoritative weekly, the partners had a turnover of 500,000 Deutsche marks and employed four people. In 1993, those figures had risen to 20 million Deutsche marks and 134 employees. They have sold more than 100 of their high-performance watercraft to date.

# EXPLORING OLD-**NEW ROUTES:** SCENERY, SITES AND COMFORT

Travelers are bold number of hotel beds in experimenters by day, but want comforts at night, says one travel-industry maxim. Germany's new states are now able to sat-isfy both kinds of travel-

Reports of the opulent and hostels.

design of Cottbus' Jugend
Good n stil theater, of the beauty of Wörlitz's park, of the brooding isolation of

Theme routes with rare attractions

Mecklenburg-West Pomerania's lakes, and of the hundreds of other natural, cultural and historic attractions in Germany's new states has recently sent millions of would-be explorers to their atlases and art history books to plan trips to the

In the past, reports of the region's lack of decent accommodation and appetizing cuisine, however, often forestalled these shelter-seekers from calling their travel agents.

Two new kinds of reports about travel to Germany's new states have recently been circulating in Germany's press.

The first concerns routes, such as the "Romanesque Route" in Saxony Anhalt, the "Fairy Tale Route" and "Route of the Classics" in Thuringia, the "Silver from the region is being Route" in Saxony, "The Trail of Fontane" in Brandenburg and "The Way of the Allees" in Mecklenburg-Western Pomerania.

encouraging would-be visi- featuring ethnic cuisines tors concerns the growing from around the world.

Germany's new states. At latest count, there are 150,000 hotel beds in the region, up 15.6 percent over 1992, with another 106,000 beds now available in spas, guest houses, sports camps

"Good news from the new states; the standards and supply of hotels are increasing, prices are sink-ing," announced a November report in Handelsblatt, the authorita-

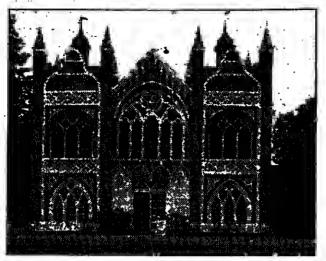
tive German daily.

As a result of such positive reports, more and more tourists are beginning to visit Germany's new states. Tourist arrivals in the region were up 13.6 percent as of September 30 this year, according to Ger-many's federal office of statistics. Overnight stays, which registered a 20 percent jump in 1992, are running a further 10.3 percent higher this year.

The theme-oriented routes provide ample fare for any explorer. The 1,000-kilometer (621.3-"Romanesque for example, Route, for example, includes 12 fortresses, three cathedrals, three cloisters, two mountain ranges, an extensive moor, three riverine natural preserves and dozens of idyllic villages and small cities.

And more welcome news communicated by word-ofmouth: not only are there now enough restaurants in Germany's new states to feed hungry travelers, but now many of them are The second new report excellent, with quite a few





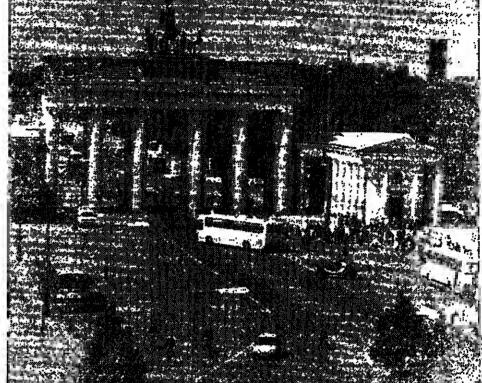
Architectural landmarks are among the states' attractions. Clockwise from upper left: Lübbenau in the Spreewald, Brandenburg: Moritzburg Castle in Saxony: Berlin's Brandenburg Gate: the marketplace, castle and city hall in Eisenach. Thuringia; Gothic Hause in Wörlitzer Park, Saxony

Anhalt.



In most of the region's with Hong Kong Hauses. In city's bevy of American-Italian owners provide both Epicures, vegetarians and only find enough to cut in urban neighborhoods. Dresden the best places to style hamburger outlets, but superior cappuccino and other discriminating folk the East, but that they actu-Peking Palasts compete get breakfast are not the rather Café Luxor, whose resplendent Egyptian decor, are reporting that they not ally enjoy eating there

**GERMANY: THE NEW STATES** 



# FIRST STOP FOR INVESTORS: BERLIN'S FOREIGN INVESTMENT CENTER

After thousands of very tentative initial gestures, a conclusive figure is now available - 1,440 major investments have been made by non-German companies.

in Germany's new states.

Nearly all of these investments which include Birla's bicycles, Kvaerner's shipyards and Samsung's TV rubes - started their lives. as a single, often uncertain tolephone call, a broadly worded letter. or a brief conversation at a reception or conference. A good many of these initial investor contacts were made with Berlin's Foreign In-

vestor Information Center. First-stop agencies are generally confronted with a mixture of broad queries and specific, immediate concerns. In the case of Germany's new states, the queries could not have been broader or the concerns more immediate, remembers Helga Manneck, who has headed the eight-person agency since shortly after its inception in September

"We were confronted with suchvery apt, very basic questions as, 'In view of the restitution mess, can real estate be acquired at all in Germany's new states?" and 'What is the market for medical technologies like?"," she says, adding: "At the same time, we were helping visiting investors deal with the small and irksome challenges of a very

foreign country, helping them make telephone calls - no easy matter in those days - or use public transportation or find a bridge club."

While its operating environment was unique, the idea behind the founding of the Foreign Investment Center was not. Every investmentminded nation has its own equivalent. The good ones are staffed by people with linguistic abilities, endlessly obliging personalities and a hard-edged persistence in unearthing the bureaucracy-bound information desired by investors.

Follow-up, explains Ken Bremer, is what solidifies a tentative, broad query into solid investor interest. One thing we've noticed in all of the 4.000 serious queries we've processed," says Mr. Bremer, an American and one of the initial staff members of the agency, "is that each investor comes to us with his or her own information checklist. Proceeding down it often involves a lot of legwork. Once the investor has received this basic information, the investment process

moves into a serious phase." At the beginning, in an era in which hundreds of laws, regulations and incentives had just been formulated, in which state and local governments were only months old and telecommunication connections were difficult at best, the center's legwork sometimes took

on monumental dimensions. "In those days, the local scene and the international market were far apart in terms of knowledge of each other," says Manfred Rupprich, staff investment officer. "That has completely changed over the last three years, on both sides.

"Take the growing outreach from the local side. Today, each state government and community of any size in Germany's new states has its own, highly capable investment promotion agency. Most of them even have a native [English] speak-er on their staffs. This very welcome competition has shifted the focus of our legwork to actively approaching the overseas market."

Rather than waiting for investors to come to Germany, the center's staff, under the auspices of the German federal Ministry for Economics, is increasingly bringing the message to businesspeople on their home ground. The center has produced brochures on each sector, giving each region's product areas and markets.

"We often encounter what we call 'second wave investors.' They are generally very well briefed on Germany's new states, from three years of waiting and watching." says Ms. Manneck. "Our job is to find the key bit of information, the potential opportunity that will trig-

# REFUGE, INSPIRATION: BIG-TIME ARTISTS AND SMALL-TOWN EASTERN GERMANY

traditions of German intellectual and artistic life in the late 19th and early 20th century: Every year, for indefinite periods of time, leading cultural lights would leave Berlin and its cosmopolitan charms and head off to the countryside surrounding the city.

Some never returned. The countryside had quite a bit to offer. It was quiet and inexpensive and remote. The latter was a great

Arts scene is still lively

advantage during the Nazi era, during which many of the country's literati went into self-effacing inner

During the four decades of East German rule, the country's large corps of creative and talented people continued the practice of earlier days. The only thing that changed was the nomenclature: the "vacation became the "dacha."

Today, the burgeoning number of visitors to these arcadias have no trouble discovering where cultural laid low.

These prospering artist colonies are graced by an ahove-average concentration of "Fontane drugstores" and "Tucholsky" cafés and "Zur Brücke" (named after the Dresdenbased Expressionist art movement) restaurants.

"We now have designer houtiques and prize-winning restaurants in Ahrenshoop, locally owned and very pricey," says Ilse von Guttenberg. This little thatched-roof community is perched on a long, bony arm of land extending far into the Baltic.

Beginning in the 1890s. Ahrenshoop was taken over by such artists as Gerhard Marks and Hugo Richter-Lefensdorf, along with dozens of other prominent artists of the time.

They were in good company. Rügen, the "big island" to the east, had been home to famous artists since the days of Caspar David Friedrich, Hiddensee (located between Ahrenshoop and Rügen) attracted primarily a literary crowd. led by the writer Gerhart Hauptmann. But each of Mccklenburg-Western Pomerania's little villages

residence", including Güstrow (Ernst Barlach) and Krakow am See (Fritz Reuter).

Not that art-making is a thing of the past in the region. The highly active local arts community has set up a gallery in Ms. von Guttenberg's house, recently returned to her family after confiscation by the East German government. Brooding writers like

brooding waters. They also like quick access to the big city's literary cafés. That's why the lake-side communities of Brandenhurg and Mecklenburg-Western Pomerania – all within an hour or two of the Ku'damm - were so widely patronized by such titans of poetry and prose as Bertolt Brecht, who summered in Buckow, east of the city.

Kurt Tucholsky, who was anything but a brooder. shared this passion, even writing "Rheinsberg - a book for those in love" about the north Brandenburgian lake and its palace. Poets, on the other hand.

patronize storm-tossed. wildly romantic landscapes. And that describes in a nuishell the Harz mountains.

It was one of the great luminaries vacationed and and towns had its "artist in where Heinrich Heine made a pilgrimage in the early 19th century. His winter Wanderung (hike) through the Harz formed the appropriate background for a number of his poems. The pilgrimage ended in Welmar, in a rather disappointing encounter with his 'old master." Johann Wolfgang von Goethe. Instead of quarreling about aestheucs, they would have done better to discuss hiking shoes: In his youth. Goethe had made his own

> Brecht summered in Buckow

winter trek through the Thuringian hills.

Many people know and love Dehnstedt in the late afternoon or a pond near Moritzhurg in the neat of the summer sun - without ever having heen there. These central German villages were where Feininger. Pechstein and Kirchner

found their arcadias. For Käthe Kollwitz, the portrayer of human affliction. Moritzburg was much more than a summer home and a source of visual inspiration. It was her last place of refuge.

# REGION'S TRADITIONAL CRAFTS ADOPT MODERNIZED TECHNIQUES

One of the few craftspeople in the world capable of repairing a 17thcentury Stradivarius or Amati ar Guarneri violin is Bernd-Albrecht Kähne of Suhl

Mr. Kühne uses ancient tools and 300-year-old wood when he repairs old instruments or makes his new vio-

Companies are capitalizing on expertise

lins. Their proportions are also straight from the late 17th century. Few long-established companies are capable of accurately reproducing the first models their company turned out. but at the 283-year-old Staatliche Porzellan-Manufaktur Meissen GmbH, craftspeople can reproduce the company's 18th-century Meissen

are still using the same materials the company worked with centuries ago. And all of the company's 250,000 patterns are on file. Some 150,000 of them can be ordered on a normal basis; others are available through special order.

There are also very few long-established companies still producing their original products - and prospering because of it. Käthe Lindner represents the third generation of her family to own and operate Lindner Feinkartonagen, recently started up again after an involuntary 40-year interruption. This company makes opulent, carboard-based containers in which perfumes, art books and jewelry are packed, using basically the same methods and materials as were used

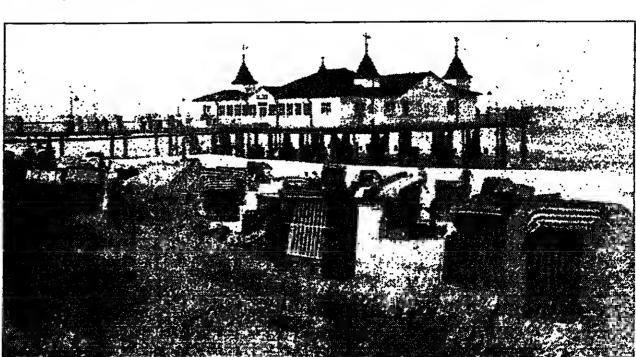
70 years ago. There are few regions displaying a porcelain with no problem, since they comparable continuity in design, man-

ufacturing methods and materials as Eastern Germany, and certainly none which has just come out of a wrenching, 40-year interregrum.

In some cases, designs and trademarks survived because they had international prestige, with Meissen serving as an example. In many cases, the artisans themselves survived as independent entrepreneurs, tolerated as useful specialists by the state.

In mosi cases, reprivatized or refounded companies are reviving half-forgotten designs, trademarks and company names.

Like Ms. Lindner or piano builder Jan Thürmer, many of these reprivatizers and refounders are the descendants of the original founders, individuals whose memories of former production technologies and market niches are often the companies' most important capital.



Former artists' colonies, like this one in Mecklenburg-West Pomerania, are now drawing foreign tourists.

# **SPORTS**

# Crippled Yacht Finishes Leg 2

Special to the Herald Tribune

FREMANTLE, Australia — Brooksfield. the Italian yacht that lost its rudder and came close to sinking in the remote Southern Ocean, crossed the finish line here Tuesday in 11th place after Leg 2 of the Whitbread Round the World Race.

Disaster struck Dec. 3 when Brooksfield's

rudder shaft broke between the deck and hull hearings. Immediately, the 2-meter (6.5-feet) high, spade-shaped rudder cranked over to a near horizontal position below the waterline and its shaft began to tear the hull open. The watch leader, Andrea Proto, wept as he described how the crew worked, chest-high

in freezing water, to plug a 50-centimeter hole in the 18-meter glass-fiber hull. "We had to get the rudder free of the boat."
Proto said. "Before that could happen, we had to break off a quadrant on the shaft that

was too big to go through the hole." "In the flooded compartment the water was above the chest and very cold, about 3 degrees Centigrade. We could stand but our heads were banging on the roof. The quadrant was swinging around. It was very dangerous."

With hacksaws and hammers, they managed to break the quadrant free of the shaft and cut the wires linking it to the steering

The crew on deck then hoisted the smallest storm jib. At this point the wind was blowing 40 knots with a hig sea running. With a small amount of steerage way. Guido Maisto, the skipper, was able to jink the rudder from side

to side and have it drop free of the yacht.
"Now we in the aft compartment could think to stop the water coming in," continued Proto. "We stuffed a sail bag into the hole and then a hucket."

"This was not enough so we then wrapped a foam bunk cushion around the bucket. Then we put floorboards over it and hraced the boards down with a spinnaker jockey pole." This took the leakage down to a manageable 100 liters (26 gallons) an hour.

Meanwhile, a combination of bilge pumps

and crew members with huckets began to bale out the three tons of water inside Brooksfield. It wasn't for another 24 hours. after a 70-knot storm had passed through. that the skipper felt confident enough to begin the 3,200-kilometer (2,000-mile) voyage to Fremantle at a cautious 6 knots.

"There was no panic but it was not a good feeling to be at 48 degrees south with a flooded boat," he added.

Maisto had been criticized in the Italian media for setting off an emergency satellite distress beacon immediately after the incident occurred.

Winston and La Poste, two other Whithread race competitors, turned back to search for Brooksfield in the worst storm to date in the 51,000-kilometer race.

[On Tuesday, the race's international jury considered requests by the two yachts for time redress. The Associated Press reported.

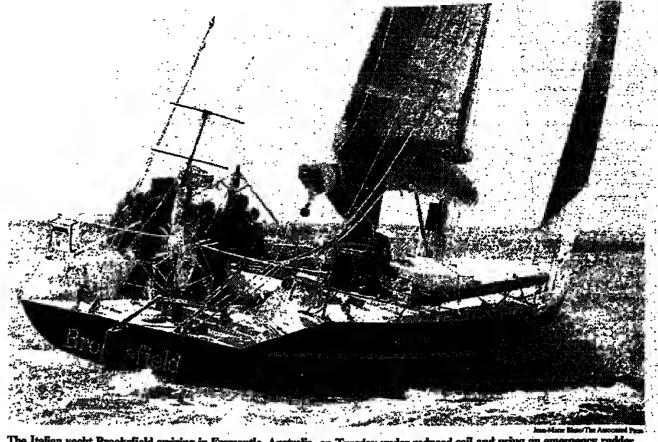
The jury's decision was expected to be announced Wednesday.]
"If I were again in the same situation, I would do the same as we did," said Maisto. "I had to think of the crew and it was important to have some assistance as soon as was possihle. Our other possibilities of communication had gone.

The flooding of Brooksfield's stern section ruined both the Inmarsat satellite communication equipment and the conventional high cation equipment and the conventional night frequency radio. Officials had no way of telling whether the bleeping beacon was aboard a crippled yacht, a liferaft, or just floating above the site of a sinking. Similarly, once the situation aboard Brooksfield was under control. Maisto had

no means to tell the world that the risk was over. It was not until La Poste reached the crippled yacht and stood by for 48 hours that race officials were told the good news.

Proto endorsed his skipper's decision to activate the distress beacon. "Personally I felt very good that the rest of the world knew what was happening," he said. "We felt very, very vulnerable at that moment." His account of the incident appeared to

silence critics. "If anything, we are guilty of underdramatizing a very serious situation." conceded the Whitbread race director. Ian Bailey Wilmot.



The Italian yacht Brooksfield arriving in Fremantle, Australia, on Tuesday under reduced sail and using an emergency redder.

# Slalom Victory in Italy Is Atonement for Tomba

SESTRIERE, Italy - The Alpine skiing star Alberto Tomba bounced back from his worst result in four years hy winning a World Cup slalom in front of thousands of cheering Italian fans on Tuesday.

"I felt upset when I thought about Monday's result." Tomha said referring to his 17th place in a giant slalom at Val d'Isère in France. It went right down to my

Stung by criticism in the Italian press, the triple Olympic champion delighted his noisy followers in his adopted home resort by winning here for the fifth time. It was his first success in Italy in two years. "It was my goal to win in Sestriere, to begin to hit my peak at the time of the Italian races." he said.

Tomha triumphed by a margin of 0.75 seconds with a combined time of one minute, 58,38 seconds for the two runs on the Kandahar piste.

"I'm always under fire when I do not win, and it's unfair." Tomha said. "Yesterday it was another day, on a course I did not like, which did not fit to me. Today I was more aggressive, determined

Thomas Stangassinger of Austria was second and remains on top of the World Cup slalom standings Christian Furuseth of Norway finished third, posting the hest time on the second run.

Tomba. 26, was clearly delighted with the 31st victory of his career and his second successive triumph in slaloms after victory at Stoneham, Canada, earlier this month.

He sank to one knee in a mixture of exhaustion and relief after crossing the line for the second run. He said he was still suffering from a mild case of bronchitis that was affecting his breathing and appeute.



Alberto Tomba roared to a World Cup slalom victory Tuesday in Sestriere, Italy, a day after flopping in a giant slalom at Val d'Isère in France. After his triumph before thousands of fans, the Italian star said he had been "more aggressive, determined on a perfect track."

not at 100 percent." Tomha said. "Certainly I'm doing better in slalom because I trained this discipline harder during the summer. I hope to be in top form in February.

for the Lilichammer games." Tomba will be trying for an un-precedented fourth Olympic title in Norway in February. He won two

Stangassinger had also been feeling ill and was thus more than hap-

py with his 80 points. "I woke up with flu and my legs had gone at the end of each run,"

Three of the top five from the first run went out in the second amid murky conditions.

"I can hardly breath, and I am golds at Calgary in 1988 and one at overall World Cup champion, confort the second leg of the giant slatinued his poor start this season as

he crashed after having taken fifth place on the first run. The Austrian-born Girardelli,

who races for Luxembourg, lost control just past the halfway point and ended up on his backside. The flop completes a wretched two days for the five-times World standings.

for the second leg of the giant sla-lom in Val d'Isère on Monday.

Thomas Fogdoe of Sweden and Thomas Sykora of Austria also missed gates on the second run af-

ter strong first-run performances. Kjetil-Andre Aamodt of Norway took seventh and maintains his lead in the overall World Cup standings. (Reuters, AP)

# N.Y. Mayor Sets Deal With USTA

New York Times Service

NEW YORK — Despite
objections from Mayor-elect
Rudolph W. Giuliam, Mayor
David N. Dinkins has completed final negotiations on the expansion of the National Tennis Center in Queens and was to sign a long-term lease Tuesday, city and tennis asso-ciation officials said.

The signing of a contract with the U.S. Tennis Association for the expansion of the center in Flushing Meadows-Corona Park will complete more than two years of talks.

It also caps a political dis-pute between Dinkins and Ginliani, who had criticized the deal and had urged the mayor not to complete the contract talks before leaving office.

But the mayor has defended the agreement, calling it "the best deal for a municipal stadium in the nation."

Under the plan, the USTA would pay for a \$172 million expansion of the center, and it acres (17 hectares) of parkland from the city.

The USTA would keep the national tournament in New York for at least 25 years and, if it exercised a series of lease options, for as long as 99 years - and the association would continue to maintain

and operate the center. The city, in turn, would continue to own the center, in-cluding a new 23,500-seat stadium that is to be huilt.

# With Malone at Center, **Jazz Outduel the Spurs**

Karl Malone scored 27 points. record doesn't mean you get blown out every night." Charles Barkley said of the Bucks (4-16). "Let's give More importantly, he played center and held David Robinson in check as the Utah Jazz beat the San Anto-

"We put Karl on Robinson and I thought be did a great job of keeping him away from the basket," said Utah's coach, Jerry Sloan,

## NBA HIGHLIGHTS

whose team on Monday also won sole possession of second place in the Midwest Division. The Jazz. (14-7) are 51/2 games behind the 19-Houston Rockets.

"We went out there and helped each other and just played solid defense." Malone said. "It was a big win for us because they're in our division."

Utah outscored the Spurs 15-6 in the first 9:06 of the fourth quarter. San Antonio's coach, John Lucas, then was ejected for his second technical foul of the game and the Jazz took their largest lead at 99-82 with 50.5 seconds left.

Malone helped hold Robinson to of the game. 23 points — 5.3 below his average Celtics 112, 76ers 107: In Bos— and 11 rebounds. For Utah, the Dec Brown was 14-of-19 from John Stockton had 16 points and

points and Jeff Malone 15. Dennis Rodman had 20 rebounds and no points for San Antonio. The Jazz held San Antonio

to 11-for-37 shooting in the second half, and the Spurs had eight turnovers in the fourth quarter. Suns 112, Bucks 104: In Phoenix, the Suns trailed by five points quarter. entering the fourth quarter, but tied it at 96 with 3½ minutes left.

Dan Majerle made a three-pointer

to break the tie and the Suns pulled

away after that.

ton. Dec Brown was 14-of-19 from 35 points. In four games since getting his previous career-high of 32, Brown

them some credit for playing a good

game, and let's give us some credit for doing what it takes to win."

Barkley had 28 points and 21 rebounds. Kevin Johnson had 32

points and Majerle 19. Milwankee had nine more field goals (45) than

the Suns and shot 59 percent. But

Nets 110, Bucks 105: In East Rutherford, New Jersey, Kenny Anderson had 32 points, II assists

and 10 rebounds, and Kevin Ed-

wards scored a season-high 28

Anderson clinched the triple-

double with an assist on a lane

jumper by Armon Gilliam with 35

seconds remaining to make it 107-103. After Bimbo Coles scored for

Miami, Anderson penetrated and

drew the defense off Chris Morris,

passed outside and watched Morris make a 3-pointer for his only points

against his former team.

its sixth straight.

Phoenix was 37-of-45 from the line to 10-of-17 for Milwankee and won

made just 9 of 34 shots and scored 23 points. He made three shots against the 76ers in just 77 seconds, erasing Philadelphia's only lead, 59-57, and putting Boston ahead 63-59 with 4:46 left in the third

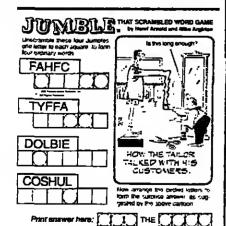
Those baskets began a 16-4 run that he finished with four points as Boston took a 73-63 lead with one quarter to go. The Sixers got no closer than four the rest of the way.

BOARD

## **DENNIS THE MENACE**



'HMMM LET'S SEE. THERE'S DONNER BUTZEN, SASSAFR'SS, DROOPY HENRIETTA SNORTER AND

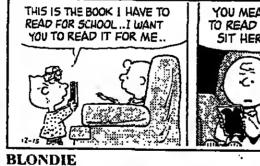


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## **PEANUTS**











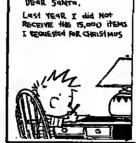












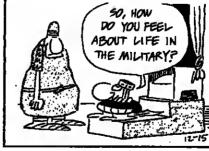
**CALVIN AND HOBBES** 







WIZARD of ID







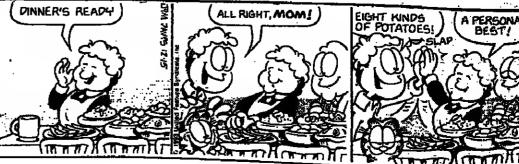
**REX MORGAN** 







**GARFIELD** 



# SPORTS

حكذامن الأحل

# Steelers **Stop Rally** To Hold Off **Dolphins**

MIAMI — The Pittsburgh Steelers defense gave up 348 yards to the Miami Dolphins and still

Five sacks, three takeaways and two key plays near the goal line belped Pittsburgh hold off a late Miami rally and post a 21-20 victory Monday night.

"For whatever reason, we have a bend-but-don't-break, big-play, opportunistic defense, said the Steelers' coach, Bill Cowher.

Rebounding from back-to-back osses, the Steelers have now won. two in a row by a total of four points. They are 8-5 and trail AFC Central leader Houston by one game heading into a showdown at home against the Oilers on Sunday.

"We're in a do-die situation." Quarterback Neil O'Donnell said. We have to win every week. We dug ourselves a hole early, so we have to come out and play like we

The Dolphins (9-4) fell into a first-place tie in the AFC East with Buffalo, which plays at Mismi on Sunday. Coach Don Shula's team had the NFL's best record two weeks ago, but now has suffered back-to-back losses.

The Dolphins railied in the final 10:30 with two touchdowns, including rookie O.J. McDuffie's 72-yard punt rearn. But Rod Woodson's eighth interception of the season ended the Dolphins' final possession after they had reached their 44-yard line with 15 seconds left.

Squandered chances hart the Dolphins, who twice failed to score after penetrating Pittsburgh's 5-yard line. Woodson forced a fumble to end one threat and Chad Brown. sacked DeBerg to spoil another.

Carnell Lake's interception and a 46-yard return — extended by a lateral to Woodson — set up O'Donnell's 2-yard touchdown pass to Merril Hoge for a 21-6 lead five seconds into the fourth quarter.

Ranked No. 1 in the NFL inyards allowed, the Steelers frequently blitzed DeBerg. He completed 27 of 44 passes for 344 yards but gave back 45 yards in sacks and threw two interceptions.

The Dolphins began to rally when Keith Jackson caught a 3yard touchdown pass from DeBerg with 10:30 left to trim Pittsburgh's lead to 21-13.

The Dolphins failed to move on. their next possession, but forced another punt, and McDuffie dodged and darred down the middie of the field untouched to score with 6:37 left.

The Dolphins reached the 2 in the first quarter, but Brown sacked DeBerg on third down and Pete Stoyanovich's 37-yard field goal at-tempt bounced off the left upright.

In the second quarter, Terry Kir-by took a short DeBerg pass and broke loose down the middle. But Woodson spoiled the 51-yard gain by stripping the ball from Kirby's grasp and Lake recovered at the 2.



The Steelers' Leroy Thompson, filling in for the injured Barry Foster, heading for a touchdown.

# Playoffs: In, Out and Hoping NFL's Postseason Picture Is Beginning to Take Shape

By Frank Litsky

New York Times Service NEW YORK - The last time the Giants and the Jets made the National Football League playoffs together was after the 1986 season. The Jets won a playoff game, lost one and were done. The Giants won all of theirs, including Super

This season, the Giants (10-3) have become the first team to qualily for the playoffs. And with three games remaining, the Jets (8-5) have a solid chance to make the playoffs as a wild-card team. Four of the six playoff berths in

ui rootosii Conterei seem headed for the Miami Dolphins (9-4), the Buffalo Bills (9-4), the Houston Oilers (9-4) and the Kansas City Chiefs (9-4). With the Jets at 8-5 are the Los

Angeles Raiders, the Denver Broncos, and the Pittsburgh Steelers. None of those AFC wild-card candidates faces an easy three-

zame windup. . The Jets have the toughest task, playing the Dailas Cowboys at and Houston on the road. One Washington Redskins (3-10), the playoff berth may await the winner of a final-day game Jan. 2 sending the Broncos against the Raiders in

If the Jets wind up in a tie in the standing with either the Raiders or Broncos, they would lose out in the

One berth may await the winner of a Jan. 2 Broncos-Raiders game.

wild-card race because they have been beaten by each of those teams. In the National Football Conference, the Cowboys (9-4) and the San Francisco 49ers (9-4) seem sure stand it. We aren't getting it done." to join the Giants. After that come the Green Bay Packers (8-5), the Detroit Lions (8-5), the New Or-Icans Saints (7-6) and the Chicago Bears (7-6). Even the Atlanta Falcons (6-7 after an 0-5 start) are. The word on talk shows and at

Cincinnati Bengals (1-12) and the Phoenix Cardinals (4-9).

While the New Orleans Saints are still alive in the playoff chase, they are breathing hard. And there is no respite in sight because they next play the Giants on Monday night in New Orleans.

The Saints shot off to a 5-0 record, allowing only 12.8 points a game. Since then, they are 2-6, their once awesome defense yielding 24.3 points a game. They have lost three straight at home, including 23-20 Sunday against the lowly Los

"It's a long time since we heard people boo our defense," said inside linebacker Sam Mills.

"I don't like it, but I can under-The greatest insult may be next. In 1980, when the Saints stangered to a 1-15 record, fans wore paperbag masks to games. They called their team not Saints but 'Aints. alive. The schedule is kindest to the corner bars is that the paper bags home Saturday and then Buffalo Falcons, who will finish against the will be back in force.

NATIONAL CONFERENCE

Korsos City LA Rolders Denvar San Diego Seattle

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# A Lottery of Chance in Las Vegas

MiAMI—If soccer is the world game that it professes to be, it would stretch to the

heights of Christendom, and perhaps the bowels of the garning rooms. It almost manages

Saint Benediet's prep school, a private Roman Catholic school, taking in all manner of pupils from the surrounding district of Newark. New Jersey, is Rob

fine American Hughes soccer talents and of the great belief in the power of prayer. Tah Ramos, a former pupil, is one of the main hopes for the U.S. soccer team when it stages the 1994 World Cup in June and July. Before that, he will attend a dinner on Friday in San Francisco where he receives a runners-up award as the U.S. Player of the Year, behind the German-American Thomas

both a producer of

But the head of Ramos's old school, Father Edwin Leahy, has just returned from a special mission to Bolivia.

There, in the Stadium Ramón Tahuichi Aguilera, Leahy led 2,500 boys in prayer for the recovery, in time for the World Cup, of Boliv-

ia's finest player, Marcos Etcheverrey.

The school in New Jersey and the boys soccer academy in Santa Cruz regularly exchange pupils. And Etcheverrey was there only

He was in his apartment in Santiago, resting up after an operation to repair his knee, which was injured when he played for his club, Cola Cola. It will be touch and go whether be makes the World Cup, but by phone, he heard virtually every word of the service.

Etcheverrey's Bolivian team manager and officials will be in another place on Sunday. They will have journeyed to Caesar's Palace, where Bolivia takes its place for the first time as a member of the 24-nation World Cup finals. There, the wheels will spin and spin.

Last weekend, Bolivia expected to be one of the poorest placed teams in a World Cup draw seeded and categorized so that when the balls bearing the countries' names were placed in four jars, the weakest would be in the fourth-. or lowest-, rated pot, the strongest in the first.

The criteria for this was a complex mathematical formula based on the success or failure

Oilers' Player

Kills Himself

After Crash

HOUSTON — The Hous-ton Oilers defensive tackle Jeff

Alm apparently killed himself

with a shotgun early Tuesday,

shortly after he had crashed

his car, killing a hometown

friend who was riding with

Alm and Scan P. Lynch,

both 25, were found dead at the scene of the early morning

wreck along Interstate 610 in

Houston, said the chief inves-

tigator with the county medi-

A police spokesman said

apparently became despon-dent over his friend's death.

Alm apparently died of a

gunshot wound to his head

and Lynch died from injuries

in the crash. Both men were

The police said the accident

occurred about 2:45 A.M. as

Alm, who apparently was

speeding, lost control of his

car on a freeway exit ramp.

from Orland Park, Illinois.

him, the police said.

cal examiner's office.

three World Cups. There were profests from some teams, among them the Dutch squad, that they had been disadvantaged, and that their proper standing

in the modern game was being penalized by

arbitrary mathematics. They had a case. Take the Netherlands' per-formance in World Cups dating to 1974, look at the country's comparative wealth of individuals. and it was nonsense that the Dutch team was placed lower than Ireland and Romania.

Similarly Nigeria, under the mathematical formula, would have appeared in the fourth band of seeding, while Cameroon would have been two groups higher. Observers of African soccer know that Nigeria is a useful bunch of players capable of reaching the quarterfinals. while Cameroon is an aging lion, long in the

These anomalies will perhaps be eradicated by new groupings, which have only one batch of seedings, for the top six teams. The other 18 teams must take the risk of being drawn in the lottery of chance.

How much of a lottery it really is has bemused us for years. Sepp Blatter, general-secre-tary of FIFA, plays master of ceremonies in a number of languages with the agility and what sometimes seems the mystery of an illusionist. We can ask, but he never tells just how it is that in previous years all kinds of calamity in terms of political foes drawn together, or groups of

sheer boredom, are nnerringly avoided.

But now, with the abandonment of attempts to place all the teams on a chart of merit, we see clearly that the countries in the four groups are placed with geography in mind. The Africans cannot be drawn against one another, nor can the Asians; each will go into a different one of the ultimate six groups of four teams. What everyone waits to see is who plays in which city.

There are nine venues. Germany, as the 1990 champion, kicks off the tournament in Chicago, but thereafter all venues will be assigned only

after the groups and the draw are concluded, One of the conundrums that has preoccupied observers is how the United States will satisfy the desire in ethnic pockets for the fans' "country" to play where the supporters live. It is been taken as a given that Italy will play close to New York and that the Irish will be based in Boston.

the corporate purse having taken a massive share, one cynical organizer has questioned the need even to attempt to placate the expatriate communities. After all, he says, if Italian-Americans and Insh-Americans had to fly to new venues, more business and more cash flow would be generated for all concerned.

N EVER FORGET that the World Cup is heading for virgin territory, in a consum-

er-led society being itself led to soccer. Alan Rothenberg, the chief executive of World Cup USA '94, was never shy in predicting the parameter of profit from this tourna-ment of 52 matches, which it claimed would attract a cumulative television audience of 31 hillion viewers.

Nothing in sport, nothing in space, has ever made that claim before. But Rothenberg, corporate lawyer and a man associated with the success of the Los Angeles Olympic Games in 1984, has put a price on the World Cup a decade later. He sees it bringing \$4 billion in spending for his country. And when that much is talked about, is it any wonder that the last people considered are the performers, the players who will be asked to run too far, too often and too much in extreme heat and humidity because television, the ultimate paymaster, de-

Red Hughes is on the staff of The Tones

8 Seeds for Europe's Championship Eight teams will be seeded in the prelimi-nary-round draw for soccer's 1996 European Championship, UEFA, the sport's European governing body, said Tuesday, The Associated Press reported from Geneva.

UEFA said 46 squads would compete for 15 final round spots in eight groups. England completes the field with a guaranteed berth as host country, Teams will be drawn from six pools based on recent performances. The teams ranked one through eight are seeded.

The remaining teams from each category of quality will be distributed evenly among the qualifying groups.

Ranking will depend on countries' performance in qualifying rounds for the 1992 European Championship and the 1994 World Cup, a UEFA statement said.

# Pelé's Role May Be Reduced

MIAMI — Pelė, the greatest name in world soccer and often the

only one known by the American public, may have his role minimalized" in the World Cup soccer draw spectacle on Sunday in Las Vegas, according to a World Cup

In addition. World Cup organizers are having difficulty filling the bill for what they had hoped would be a glitzy extravaganza at Caesar's Palace, kicking off the world's greatest soccer tournament and fit for a television audience approaching one hillion viewers throughout the world. But so far, the pop singer Barry

Manilow is the only star to confirm that he will take part in the show. art and Elton John, who were scheduled to be present, will now participate via satellite link. The former National Basketball Association star Magic Johnson has declined an invitation. And President Bill Clinton was asked whether his daughter, Chelsea, might lend a little innocence to the occasion in America's gambling capital. But the president's staff apparently suggested that the girl do so by

The possible relegation of Pele to defamation lawsuit filed against him and his company, Pelè Sports hank account for "the directors." Inc., by the president of the Brazilian soccer federation. Ricardo Janeiro couri on Monday that the

Teixeira, son-in-law of João Havelange, president of FIFA, soccer's world governing body, filed suit against Pelé for saying in an interview published last month in Playboy magazine that the federation had been corrupt in husiness Pelè Sports, Inc., in conjunction

for the rights to televise the 1993 Brazilian national championship. Instead, the rights were awarded to FI works for \$4 million, according to be "minimalized." Pele's lawyer.

minimal role is the result of a Teixeira had asked that the remaining S1 million be paid into a Swiss Pele's lawyer said in a Rio de

> player had refused to pay the "kickback" to Teixeira. He said that there was proof of corruption hy the federation president. Havelange said Monday that

er-the he

Pele could not take a prominent part in the draw for the 1994 World Cup, which begins in June, while he was defending litigation against Brazil's sporting body. "It is necessary to realize that in

with Grupo Dorna of Spain, had life some people win, some people offered the federation S5 million lose." Havelange said. lose." Havelange said.

A World Cup official, who asked not to be identified, echoed the the Globo and Bandeirantes net- former Brazilian star's role might

- ROB HUGHES

## **SIDELINES**

## Hurley's Condition 'Much Improved'

SACRAMENTO, California (AP) — The Sacramento Kings' guard Bohby Hurley was "much improved" on Tuesday — 24 hours after eight hours of surgery to repair lung damage from a car accident.

The hruises on his lungs are healing and his lungs are clearing." a

trauma surgeon. F. William Blaisdell, said in a brief statement, "He's getting rid of a lot of evera fluids." Hurley was still listed in serious condition but Blaisdell and nurses who

have been treating the National Baskethall Association player said he was alert and responsive. Doctors said Monday that the next few days could determine the extent of Hurley's recovery from the accident. On Sunday night, a light truck driven by the 22-year-old rookie was struck by a station wagon near Arco Arena following a game with the Los Angeles Clippers. Hurley was not wearing a seat belt and was tossed into a drainage ditch, the police said. He sustained lung injuries, several broken ribs, a slight compression fracture in the back and wrist and knee injuries.

## St. Anton Is Back as Downhill Site

OBERHOFEN. Switzerland (AP) - A postponed women's World Cup downhill was rescheduled for Friday at St. Anton, making for three consecutive race days in the Austrian resort, the International Ski Federation said Tuesday. Warm weather and lack of snow kept Veysonnaz, Switzerland, from

staging the downhill, the second of the women's circuit, last week. St. Anion has scheduled another downhill and a slalom on Saturday and Sunday. Those races award points for a combined. Veysonnaz had taken over three races from another Swiss venue. Levsin, but could host only a slalom and a giant slalom.

## For the Record

Prosecutors in Meiningen, Germany, filed criminal charges against two neo-Nazi skinheads on Tuesday in the beaong of an American luge athlete in Oberhof in October.

(AP) athlete in Oberhof in October. Valery Lobanovsky, former manager of the Soviet soccer team, has

been appointed coach of the Kuwaiti national side, federation officials said Tuesday in Kuwait. (AFP)

# BASKETBALL

**NBA Standings** 

**SCOREBOARD** 

# EASTERN CONFERENCE WESTERN CONFERENCE 51/2 61/2 9

8). Boston 32 (Douvies 14).
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Edwards 18-26-6-2. Repowers—Moral 61
I Satley 17). New Jorsey 77 (Columna 13). Ashists—Mianni 22 (Colum 7). New Jorsey 29 (Anderson 13). derson 11). derson 111.
Sem Antonie 29 31 22 14— 87
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R.Molone 12-23-3-4-27, Shockier: 2-11-2-1-14.
Charmbers 9-19-6-8-14. Replacement—Son Antonio
S3 (Rodonan 201. Utob 42-1K.Molone 91. Assights—Son Antonio 10 (Amderson 4), Utob 29
(Storekton 12).

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Georgio St. 15. Term.-Mortin 48 Stetson 94. Florido Aflontic 79 ALEXWEST Wisconsin 94. E. Michigon 68. PAR WEST Air Force 19, Regts 61 Montono 68, Cal Poly-SLO 52 The AP Top 25

The torus in the college basic thalf poll, with Mrst-place vales in parentheses, record through Dec. 12, folial points based on 25 points P18 1,404 1,520 1,503 1,415 1,277 1,270 1,180 1,127 1. Arkonsos (S) | 2. North Carolina (8) 3. Duke (3) 4. Tample (2) . UCLA (1) 1,075 940 972 854 635 624 611 518 517 407 327 239 176

HOCKEY NHL Standings

EASTERN CONFERENCE WESTERN CONFERENCE

MONDAY'S RESULTS

Washington 1 2 6—3

Quebec 2 2 6—5

First Pertod: Q-Lindberg 4 (Ruchsky,
Twist); W-Jones 7 (Poulin, Mov); Q-Young 7

(Lapolate Ricc1): Secard Pertod: W-Benube
3 (Johansson, Kaminski); W-Krysler 7 (PtVarian); Q-Toung 8 (Sundin); G-Sokie 12

(Foote); Q-Kamensky 10 (Kovalenko, Leschyshyo); Takrd Pertod: Nam. Stods on seel;
W (an Tribboth, Choufer) 10-10-11—31. Q (on
Tobarnoct, Beouprel 6-14-15—35. NY, Respers

First Period: N.Y.-Nemchinov 8 (Kysreos. Goriner); Second Period: None. Takel Period: N.Y.-Groves 21 (Lormer, Buckboom); (en). Skots on good: 8 (on Richter) 12-84-28.

Contract of the contract of th FOOTBALL NFL Standings

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botwe first anninss; 254 iston 2nd Uninss; 266 botwe 2nd Uninss; 157 (422 overs) ONE-DAY MATCH Australia vs. South Africa Tuestoy, in Sydney

SOCKER! ### # # #

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Sorussia Dortmund vs. Internazionale Milan
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Coginari vs. Juventus Turin
(Ist les Morch 2, 1944 2nd les March 161
ENGLISH PREMIER LEAGUE OLYMPIC SPORTS

World Cup Skiling

MEN'S SLALOM Resulty Treaday in the men's World Cop plant is Sestriera, Italy: 1, Alberto Tombo,

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Gehrein, Austria (59.22-1:00.66) 2:00.06; 4, Peter Rath, Germany 159.51-1:00.711 2:00.22; 7,
Klettl Andre Aemodt, Norwey 159.69-1:01.25)
2:00.22; 3, Michoel Von Gruenisen, Swifzertand 11:00.14-1:00.53) 2:00.27; 10, Guartiner
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Thomas Standings (after three races): 1,
2:00.26; 5, Bernhard Gehrein, Austria, 20; points; 2,
Alberto Tomba, Haty, 200; 3, Jure Kosir, Slovenia, 172; 4, Finn Christian Joge, Norway,
160; 5, Bernhard Gehrein, Austria, 20; 6, Klehi
Andre Aomodt, Norway, 121; 7, Guenther
Moder, Austria, 77; 2, Peter Roth, Germany,
82; 9, Ole Christian Furuseth, Norway, 67; 10,
Fabin De Cripols, 1804; 65.
Overall Standings: 1, Kielli Andre Aomodt,
Norway, 237 points; 2, Guenther Moder, Austria, 32; 3, Alberta Tomba, 1804; 294; 4, Thomos Stangassinger, Austria, 267; 5, Franck Pictord, France, 229; 6, Bernhard Gehrein,
Austria, 205; 7, Jure Kosir, Slovenia, 177; 8,
Michoel Von Gruenigen, Swifzerland, 174; 9,
Flan Christian Jugge, Norway, 160; 18, Toblos
Barnerssol, Germany, 145.

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## **OBSERVER**

# An Armed Response

By Russell Baker

TEW YORK -Once having an afternoon to kill in Beverly Hills, and lacking a car. I went for a walk, though I had been cautioned against it with the explanation that the police regarded walking as powerful evidence of criminal intent.

It was lonely. Though the sun was friendly the streets felt ominous. It was that feeling the movies strive to convey when the hero finds himself utterly alone at high noon in what should be an extremely husy location:

Something terrible has happened, or is about to happen. Whichever the case, everybody has fled, and here is the hero, the only person alive who doesn't know what's up.

Still, Beverly Hills's houses were interesting, and the police did not appear, and putting my uneasiness down to the neurotic Easterner's childish fantasies about southern California, I started studying the stunningly expensive real estate more closely

It gave off intense silences, suggesting not only that no one was at home inside any of these splendid houses, but also that no one had ever been at home in them.

I had heard daytime silences this depressing only when walking in one of the hideous comfield-condominium developments erected on devastated farmlands all over the Eastern Seaboard.

In those the reason for the silence was obvious. The inhabitants worked in faraway cities and came only at night to this ruined landscape, bare of stores or schools or churches or any structure designed for any sociable activity beyond watching television before bedtime.

Beverly Hills looked too rich to require anyone to work. There was no sense of the abandonment and sadness that characterizes the tracthousing desolations of the East.

Despite the silence coming off the houses, f had the distinct sense that there were indeed people inside, many people, and that they had all quieted down to watch me. Yes, that was irrational, hut

there it was, f sometimes experience a similar sensation when alone in a certain room in a certain house and suddenly realize that I am, in fact, not alone, but that there is another something in that room

You may think me the victim of overwrought imagination. Of course I am. How can I not be? Am I not part of American society? Do I not absorb the mind-numbing

> Anyone who fails to keep his imagination overwrought in such a brutal environment will soon be too hardened to the sordid ever to enjoy the pleasures of wonder again. In Beverly Hills I experienced the won-der of sensing that inside those silent

coarseness and violence composing my daily diet of newspapers and

mansions were hordes of people silently watching me walk hy. Then I knew why. Many of the houses had small signs out front which at first, because of a vanity that often keeps my eyeglasses in my pocket. I hadn't been able to read. With glasses on, the message was clear: Each sign announced that security police were keeping an

eve on the house. That surely meant they were keeping an eye on me. Even more alarmingly, many of these signs were accompanied by two terse words: "Armed Response."

No wonder this stroll in the warm California sunlight had felt inexplicably troubling. Everything became totally explicable once f realized I was where people apparently were ready to shoot if made a false move. I got off the streets of Beverly Hills fast.

f had almost forgotten this longago walk when the mass murder on the Long Island Rail Road the other night vividly brought the memory hack. Of course no bullets had flown in Beverly Hills. The menace

had existed only in my mind. Since then, however, my mind seems to have adapted to the unsettling new fact of hullets anywhere and everywhere, ft now takes for granted, I suspect that one condition of American life is the possibility of being gunned down at random.

The mind, always looking out for us, tucks this away in a quiet space to keep us at peace with the world. Now and then something in the news ruffles that peace by reminding us of moments like that afternoon in Beverly Hills.

New York Times Service

# Julia Roberts: The \$8 Million Comeback

OS ANGELES - Between wildfires, earthquakes, L race riots and a debilitating recession, the city of illusion has been looking a little sad of late. So there is a palpable cheer around Hollywood now that the highest paid actress in the world - for the moment - is back in town, generating all kinds of economic activity, grist for the professional gossips and old-fashioned movie star incandescence

Two years after she made her last film and fell into a tabloid twilight zone over her personal life, Julia Roberts is starring in three new productions, the first of which is Alan J. Pakula's adaptation of John Grisham's legal thriller "The Pelican Brief," opening in the United States on Friday. Her face is all over hillboards and bus stops this month. the dark, tentative eyes of a woman who is on the run from

had guys in the movie and predatory paparazzi in real life. At present, she is somewhere in the fortress of International Creative Management, where her agents are giving her last-minute tips on what not to say to a reporter. Which is a bit incongruous, because she has spent the last month and a half trying to learn how to ask questions like a reporter, in the role she is now filming as a Chicago newspaper writer opposite Nick Nolte in "I Love Trou-(Tip to Roberts: Always carry an extra set of batteries for your tape recorder and never believe what publi-cists say, especially if it's off the record.)

A wall to the office of the ICM agent Elaine Goldsmith slides open — a very secretive, James Bond kind of door — and there is Roberts, in cutoffs, moceasins and modified ponytail, all of 26 years old. Her agents disappear, the sun goes down, and for the next two and a half hours she talks about life as a media caricature and as a new hride to the singer Lyle Lovett. The formerly reticent star, who has had a sudden hurst of film activity, seems eager to talk.

Considering that she has been working 12-hour days

virtually nonstop for the last half-year, she looks, well
... vibrant. Her skin is as clear as one of those High Sierra streams where the rare golden trout still swim, and her legs stretch from here to eternity. She volunteers a hair - chestnut - to describe the mane that drove men crazy in "Pretty Woman," the film that made her a global star with more than \$400 million in worldwide ticket sales. One of only a handful of actors who can make or break studio heads. Roberts is now getting more than \$8 million a picture. That sort of price comes with the status of being able to "open" a movie, which means that no matter how bad the film may be, enough people will huy tickets in the first few days of its release to guarantee cost recovery.

But the downside is that she exists at a celebrity level where gas station attendants are supposed to care about the tiniest details of her personal life. In that sense, she is both a victim of all the hyper-press that reached a frenzy when she canceled her wedding to the actor Kiefer Sutherland two years ago - and a beneficiary.

They say I can open movies, and that's nice in that it puts it into people's minds that women can do it," she said, her legs curled up in a chair. "It's not just Kevin Costner, not just Arnold Schwarzenegger. Not just the guys." She is less comfortable with the public-property aspect

of her rarefied status. "People talk about this Julia Roberts almost like it's a thing, almost like it's a cup of Pepsi," she said. "People think Julia Roberts is something they created. The fact is, 26 years ago there was this scrunched up little pink baby named Julia Roberts. I am a girl, like anybody else."



Law student Julia Roberts with investigative reporter Denzel Washington in "The Pelican Brief."

Her father, who died when she was 9, was a vacuum cleaner salesmen and her mother was a church secretary. At home, they staged and acted in plays, infusing the three Roberts children with a love of entertaining.

She was only a few years out of high school in Smyrna, Georgia, when the modest 1988 film "Mystic Pizza" made her a celebrity of the promising variety. It took some

"I was in the bathroom somewhere, and this girl fol-lowed me and said, "Excuse me, girl in stall No. 1."
"I said, "Yeaaah?"

"She said, 'You were in "Mystic Pizza." "I said, 'Yeah?"

She said, 'Can I have your autograph?'

"I said, 'You know, I'm a little tied up right now."
For her next film, "Steel Magnohas," Roberts received an Academy Award nomination. The director of that movie, Herbert Ross, has since criticized her work as onedimensional, suggesting she should take formal acting fessons. She fired back, but has now decided to call a truce.

Another Oscar comination came with "Pretty Woman," the fairy-tale story of a Hollywood hooker who spends the weekend with Richard Gere. It was followed by "Sleeping With the Enemy," where she is brutalized by an obsessive husband. Some critics laughed at the premise, but the film drew a huge audience. Then came "Dying Young," a disappointment, and "Hook," which was widely dismissed as a mess, though the blame was laid on the director, Steven Spielberg.

In 1991, Roberts went through what Goldsmith refers to as her "Fellini summer," in which she was variously reported to have had a nervous breakdown, been on drugs

and romanced several men, all the while feuding with Spielberg on the set of "Hnok." None of it was true, Roberts said. She played Tinkerbell, but some of the gossip columns referred to her as Tinkerhell.

It was not her most pleasant acting experience; much of the time she was strapped into what she calls "industrial bicycle shorts," which was hooked up to a wire so she could fly. When they shrunk her for the film, she looked at times like a confused horsefly.

"I felt like I had a nice rapport with Steven, yet his depiction of it makes me feel like I'm mistaken," she said with a sigh. "I guess that's just too bad. You know, it may be too much to ask to be in a harness and creative at the

Now, with a cushion of rest between her and that mmer, she says she is not at all bitter or angry. What people perceive that summer to be is for me a tale of fiction spun way out of control," she said. Yes, she was going to marry Sutherland on the Fox Studio lot and three days before the wedding called it off. From then on, her every footstep was monitored, analyzed, speculated

The last two years, she said, "have been two of the most incredible years of my life." She traveled extensively, read more books than screenplays, murtured old friendships, and —six months ago — married Lovert, a Texas crooner with an original haircut. "He's really a tremendous man, and he's shown a great deal of courage in marrying me," she said, a dimpled smale spreading across her face. Roberts said be has had to endure the giare of the public eye. "That's part and parcel of my life, and he's done it with great, distinguishing effort."

## **PEOPLE**

Bardot's Quandary: Her Love or Her Cause

Brigitte Bardot says her husband's political views could cause the break-up of their marriage, Bardor, who last year married Bernard d'Ormale, an adviser to Jean-Marie Le Pen, the leader of the extremeright National Front, was quoted by the daily Liberation as saying I would have been better off falling in love with a shoe salesman." Bardot, who has given her name and support to an animal protection foundation, was responding to reports that her marriage had caused the trust to lose money. Bar-dot described the foundation as "my life, my child." "If all this does me too much wrong, we will be forced to separate and I think it would be unfair for me to have to end my life alone," she said.

The publicist fired by Maria Manies after he was arrested for allegedly stealing her shoes is sning her for more than \$180,000. Chuck Jones's filing came about two weeks after Maples sued him for \$85 million, charging that he was a would-be extortionist who stalked her.

Madeuna took her long world tour to its last stop, in Tokyo, and said she was ready for a break-down. Why not?" she told the audience. Toolid do it. Judy Garhand did. Elvis did."

Oliver Stone has signed with Hollywood Pictures to direct the movie version of the Andrew Lloyd Webber-Tim Rice musical "Evita" about the former first lady of Arntina. The actress to play Eva gentina. The actress to play Eva Perior has yet to be announced but Madoum, Maryl Streep and Patti LaPone, who created the stage role. are rumored to be in contention.

Loni Anderson says her adopted 5-year-old son. Quinton, doesn't miss much since her divorce from Burt Reynolds. The actress told McCall's magazine that she tries to do "boy things" with her son. "I've had a black eye" from Quinton swinging a toy truck around," she

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## WEATHER



North America

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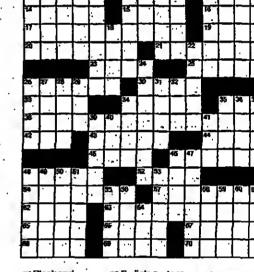
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26 Over-indulgence

CROSSWORD



O New York Times Edited by Will Shortz

# AWEEK IN THE LIFE OF THE TRIB

Monday **MONDAY SPORTS** 

Tuesday

STYLE

Wednesday STAGE

ENTERTAINMENT

Thursday HEALTH/SCIENCE

> Friday LEISURE

Saturday-Sunday ART/

THE MONEY REPORT

POLITICS AND ECONOMICS

**BUSINESS AND FINANCE** 

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